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CHAPTERS FROM IMPERIAL WASHINGTON

R.F. Pettigrew

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Chapters from

IMPERIAL WASHINGTON

By R. F. PETTIGREW

Formerly Senator from South Dakota

In a most eventful public career of fifty years, the author f this book had exceptional opportunities for observing the orkings of the government at Washington. He tells the tory truthfully and boldly. Some of his conclusions are:

The United States has already passed from the Republic to the Empire.

We have a government of the thieves, for the thieves, by the thieves. It might be stated thus—a government of the corporations, for the corporations, by the corporations.

Capital is stolen labor, and its only function is to steal more labor. . . . .

Price Twenty-five Cents.

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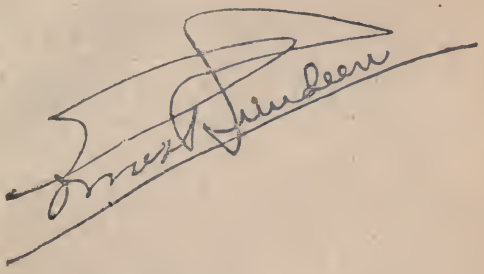

CHAPTERS FROM

IMPERIAL WASHINGTON

By

R. F. PETTIGREW

Formerly United States Senator
from South Dakota

The Story of
American Public Life
from 1870 to 1920

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FOREWORD

American Public Life

The American people should know the truth about American public life. They have been lied to so much and hoodwinked so often that it would seem only fair for them to have at least one straight-from-the-shoulder statement concerning this government "of the people, by the people and for the people," about whose inner workings the people know almost nothing.

The common people of the United States, like the same class of people in every other country, mean well, but they are ill-informed. Floundering about in their ignorance, they are tricked and robbed by those who have the inside information and who therefore know how to take advantage of every turn in the wheel of fortune. The people voted for Roosevelt because he talked of "trust-busting" at the same time that he was sanctioning the purchase of the Tennessee Coal and Iron Company by the Steel Trust. They supported Wilson "because he kept us out of war" at the same time that Wilson was making preparations to enter the war. The rulers can negotiate "secret treaties" at home and abroad. The people, knowing nothing of either the theory or the practice of secret diplomacy, commit all sorts of follies for which they themselves must later foot the bill.

At the present moment the American people are being taught "Americanism"—taught by the same gentry who are making away with billions of dollars, sometimes "legally" and sometimes without any sanction in the law.

The most prominent among the leaders of the Americanization campaign were the most prominent among the war profiteers. They are the owners of

resources and industries—the owners of America. It is from them that the preparedness agitation came in 1915 and 1916, and it is from them that the new preparedness agitation is coming now.

There is a newspaper story in the New York Herald (November 7, 1920) which illustrates the point. The story, evidently inspired by the War Department, is devoted to a description of certain big guns and certain new forms of tanks that the government is at the present time busy manufacturing. The country was caught napping once, says the writer, but the War Department is going to be sure that the same thing does not happen again. Therefore, it is building up its machinery now, while the country is still at peace. In this work the War Department is assisted "by some of the leading industrial spirits of the country, who are keeping up the same enthusiastic devotion to the service of their country they displayed in the war. A little army of dollar-a-year men, headed by Benedict Crowell, former Assistant Secretary of War, has mobilized itself under the name of Army Ordnance Association and is giving its valuable time to the country without costing the government a single cent."

Who are the members of this "little army" of patriots? The Herald gives the answer in full. Besides Mr. Crowell, there are, in the Army Ordnance Association, William Wheeler Coleman, president of the Bucyrus Company of Milwaukee, Wis.; Charles Eliot Warren, past president of the American Bankers' Association; Ralph Crews, of the law firm of Sherman & Sterling, New York City; Guy Eastman Tripp, chairman of the board of directors of the Westinghouse Company; Samuel McRoberts, of the National City Bank of New York; Waldo Calvin Bryant, president of the Bryant Electric Company; Frank Augustus Scott, former chairman of the War Industries Board; Robert P. Lamont, president of the American Steel Foundries of Chicago, and C. L. Harrison, of the First National Bank of Cincinnati.

What do these patriotic business men hope to gain by their devotion to the preparedness program of the War Department? The answer appears later in the same articles: "It is this desire to keep abreast of the world's performances in ordnance that has prompted the War Department to ask for an increased appropriation next year. The department's appropriation last year was $377,246,944. The estimates for this year call for an appropriation of approximately $814,000,000." The difference, or $435,000,000, represents the value of contracts that will go to the business interests of the United States.

Again, bankers, lawyers, manufacturers and business men are going to save the country—not by keeping us out of war, but by getting ready for the next war. It is these men who dominate the life and thought as well as the industries of these United States, and it is just such men that have been in control of the United States ever since I entered the Senate thirty years ago.

It is fifty years since I began to take an interest in public affairs. During those years I have been participating, more or less actively, in public life—first as a government surveyor, then as a member of the Legislature of Dakota; as a member of the House of Representatives and, finally, as a member of the United States Senate. Since 1880 I have known the important men in both the Republican and Democratic parties; I have known the members of the diplomatic corps; I have known personally the last ten presidents of the United States, and I have known personally the leading business men who backed the political parties and who made and unmade the presidents. For half a century I have known public men and have been on the inside of business and politics. Through all of that time I have lived and worked with the rulers of America.

When I entered the arena of public affairs in 1870, the United States, with a population of thirty-eight millions, was just recovering from the effects of the

Civil War. The economic life of the old slave-holding South lay in ruins. Even in the North, the Panic of 1873 swept over the business world, taking its toll in commercial failures and unemployment and an increase in the number of tenant farmers. The policy of sending carpet-bagging rascals into the embittered South hindered reconciliation, and sectional differences prevented any effective co-operation between the two portions of the country. The result was a heavy loss in productive power and in political position. Through this period, the United States was an inconsequential factor in international affairs.

The transformation from that day to this is complete. With three times the population; with sectionalism practically eliminated; with the South recovered economically and the economic power of the North vastly increased; with more wealth than any other five nations of the world combined; with the credit of the world in her hands; with large undeveloped, or only slightly developed resources; with a unified population and a new idea of world importance, the United States stands as probably the richest and most influential among the great nations.

I witnessed the momentous changes and participated in them. While they were occurring I saw something else that filled me with dread. I saw the government of the United States enter into a struggle with the trusts, the railroads and the banks, and I watched while the business forces won the contest. I saw the forms of republican government decay through disuse, and I saw them betrayed by the very men who were sworn to preserve and uphold them. I saw the empire of business, with its innumerable ramifications, grow up around and above the structure of government. I watched the power over public affairs shift from the weakened structure of republican political machinery to the vigorous new business empire. Strong men who saw what was occurring no longer went into politics. Instead, they entered the field of industry, and with them the seat of the government of the United States

was shifted from Washington to Wall Street. With this shift, there disappeared from active public life those principles of republican government that I had learned to believe were the means of safeguarding liberty. After the authority over public affairs had been transferred to the men of business, I saw the machinery of business pass from the hands of individuals into the hands of corporations—artificial persons—created in the imagination of lawyers, and given efficacy by the sanction of the courts and of the law. When I turned to the reading of American history, I discovered that these things had been going on from the beginnings of our government, that they had grown up with it, and were an essential part of its structure. From surprise and disgust I turned to analysis and reason and, for the past twenty years, I have been watching the public life of the United States with an understanding mind. For a long time I have known what was going on in the United States. Today I think that I know why it is going on.

When I look back over the half century that has passed since I first entered public life, I can hardly realize that the America, which I knew and believed in as a young man in the twenties, could have changed so completely in so short a time. Even when I know the reason for the change, it is hard to accept it as a reality.

Many of the public men who have lived and worked in the United States during the past century have written their impressions of public affairs. Benton, Blaine, Grant and Sherman discussed the public life of the middle of the last century. Since then, there have been many autobiographies and memoirs. I have read these books carefully, and it seems to me that not one of the writers is at the same time a student and a realist.

First of all, they have written about politics, with very little or no attention to the economic forces that were shaping politics. In the second place, too many of them have written the agreeable things and left

the disagreeable ones unsaid. In the third place, they have written what they believed should have happened rather than what actually did happen. Fourth, and by far the most important, each of these men has written as a member of a ruling class, pleased with himself, and satisfied that rule by his class was the best thing for the community. The pictures that these men give are like the decisions of our courts—built of precedents rather than of realities.

It is my ambition to tell my fellow-countrymen what has happened during the half century that I have known public life. I know what went on, because I saw it. I want others to have the same knowledge. During my public career I have received very definite impressions, and I am anxious to pass those impressions on to others. I want to do this because I believe that my country is in danger; I believe that the liberties of the American people are already well-nigh destroyed; I believe that we are moving forward to a crisis of immense significance to the future of the American people, and the ideas and ideals for which the United States has stood before the world. We are far along on the road to empire, and we are traveling faster towards that goal than any nation in history ever traveled.

It is with that purpose and in that spirit that I have written this book, and it is in that spirit that I ask them to consider and ponder what I have said there.

IMPERIAL WASHINGTON

I. LAND GRABBING

My first struggle with the business interests, after I entered the Senate in 1889, came over the question of land-grabbing. At that time the Federal Government still owned millions of acres of valuable timber, mineral and agricultural land that might easily have been utilized for public advantage instead of for private gain. The attorneys and other representatives that the vested interests maintained in Washington were busy grabbing this land. I set myself to save it for the people.

I was thoroughly familiar with the public Land Laws of the United States as I had been a practicing lawyer before the Land Department, a surveyor on the public domain, and beside that I had planted a timber claim with white ash trees which stand today. I, therefore, sought appointment upon the Senate Committee on Public Lands, of which Preston B. Plumb, of Kansas, was Chairman. In that position I had an excellent opportunity to see land grabbing from the inside.

The House passed a bill to repeal the timber culture law "and for other purposes" in February, 1890. When the bill reached the Senate it was referred to the Committee on Public Lands, and Chairman Plumb appointed Senator Walthall of Mississippi and me as a sub-committee to consider the bill. I gave the matter very careful attention and, after some weeks of study and work, I reported the bill to the Senate in such a form that it involved a complete revision of the Federal land laws. The bill, containing nineteen

sections, finally passed the Senate on the 16th of September, 1890.

Immediately, upon its passage, a conference was requested and Senators Plumb, Walthall and Pettigrew were appointed as Conference Committee on the part of the Senate. In the House the bill was referred to the Committee on Public Lands, which reported it back, early in the next session of Congress, agreeing to the Conference asked for by the Senate and appointing three conferees, Payson of Illinois, Holman of Indiana and Pickler of South Dakota. Plumb did not act with the Conference Committee. Walthall of Mississippi and myself took full charge of the work and, after many conferences, we finally agreed upon and did report to each house a bill just as the Senate had passed it, with five additional sections, making twenty-four in all. The 24th section was as follows:

"SEC. 24, p. 1103, 51st CONGRESS, MARCH 3, 1891.

"That the President of the United States may from time to time set apart and reserve, in any State or Territory having public land bearing forests in any part of the public lands wholly or in part covered with timber or undergrowth, whether of commercial value or not as public reservations and the President shall by public proclamation declare the establishment of such reservations and the limits thereof."

I gave this section in full, first, because it resulted in departure in public policy that was highly advantageous to the people of the United States, and second, because it led to one of the most bitter fought parliamentary struggles in which I have ever participated.

Section 24 was placed in the bill at my suggestion to take the place of the timber culture law, which never had produced any timber. I had offered this section in the Senate Committee on Public Lands, but the Western Senators were opposed to "locking up" the country in forest reservations. In conference,

while I had some difficulty, I secured an agreement which included this section in the bill.

Nothing was done under Section 24 until after Cleveland commenced his second term and then he, as President, appointed a commission of eastern people to go out into the Western country—Dakota, Wyoming, Colorado—and establish the forest reservations. These men rode about the country in a Pullman car, and prescribed the boundaries of forest reservations without any discriminating judgment. For example, they established the reservation of Black Hills in South Dakota, and embraced within its boundaries the city of Deadwood, and the towns of Leed, Custer and Hill City, which contained thousands of people who were mining, home-building and getting the timber necessary for these activities from the surrounding forests. Once these reservations were established it became impossible to cut any timber upon them; consequently the people who had made their homes in the reserved area were practically compelled to move.

Since no law had been passed for the administration of these newly created reserves, the country was completely locked up. No new people could go in and settle, and those already there found themselves restricted on every hand. The result was a general dissatisfaction with the whole policy of forest reservations.

I realized that, unless some change was made, the whole policy would be discredited, and therefore I secured legislation suspending reservations already located until proper legislation could be secured for their administration.

Finally, at my request, Wolcott, who was then at the head of the Geological Survey, prepared an amendment to the Sundry Civil Appropriation Bill, which I offered in the Senate, providing for the administration of these forests. After this law for administration was enacted, the Secretary of the Interior informed me that he would make the boun-

daries of the Black Hills Forest Reservation whatever I might recommend. I went out to the Black Hills, held meetings of the people, and explained to them the purpose of the Forest Reservation. In every instance they passed resolutions in favor of being embraced with the Forest Reservation as administered under the new laws. By this direct appeal to the people most intimately concerned I was able to enlarge the reservation by over 200,000 acres.

When I returned to Washington, the Secretary of the Interior asked me to suggest such rules and regulations as would best enable his Department to administer the forest reservations laws. In accordance with this request I wrote out the rules and regulations which were afterwards adopted by him.

I remember in one of the regulations that I provided for sowing the Black Hills spruce seed upon the snow in all the open parks and denuded places, so that when the snow melted these seeds would sink down into the moist ground and immediately sprout and grow; and, today, there are many thousands more acres of forest in the Black Hills reservations than there were when the law was enacted.

Thus far matters had gone very nicely. I had had a hard fight to get the policy of forest reservation adopted and the reservations themselves established. Now came the real fight—to hold them for the people.

In the amendment which was added to the Sundry Civil Appropriation Bill I inserted a provision that permitted any settler, who was embraced within a Forest Reservation, to exchange his land, acre by acre, for other government land, outside of the reservation. Such a provision enabled settlers who had taken land before the establishment of reservations to take up a new quarter section in case they did not care to live under the reservation regulations.

The Conference Committee of the two houses that considered the Sundry Civil Bill changed the wording of this section in such a way that the land grant railroads, which had received in all nearly two hun-

dred million acres of land, could exchange their land, if embraced within a forest reservation, for the very best land the Government had remaining on the public domain outside of the reservation. Allison of Iowa was Chairman on the part of the Senate and Joe Cannon of Illinois, Chairman on the part of the House. The Conference report came to the Senate the day before the end of the session. Therefore it was not printed, but was rushed through after having been read hurriedly by the clerk. I listened to the reading, but I did not notice this change of wording in my amendment, and so this monstrous proposition became a law.

Of course, the conferees knew what they were doing when they slipped through this provision. Under it, the Interior Department ruled that the land grant railroads could exchange their odd sections, embraced within a forest reservation, for the best remaining acres of the public domain. The right to make this exchange was worth at least fifty millions of dollars to the land grant railroads.

I did not discover this change, made by the Conference Committee, until I learned that the Department of the Interior was permitting the railroads to make these exchanges. As soon as I discovered this, I looked up the law and found what an enormous fraud had been practiced through the cunning of Senator Allison of Iowa, Chairman of the Committee on Appropriations, and Joe Cannon, Representative from Illinois, a banker and lawyer, and Chairman of the Committee on Appropriations in the House. Nearly ten years had dragged along, from the time I began to fight in favor of forest reservations, until this fraud was perpetuated on the American people by these two representatives of business.

In order to meet the situation I presented an amendment to the Sundry Civil Bill on May 31, 1900 (56th Congress, 1st Session, pages 6289 to 6298 of the Congressional Record), which reads as follows:

> "And said superintendents, assistant inspectors, supervisors and rangers shall, under the direction of the Secretary of the Interior, examine all lands within the boundaries of any forest reservation that belong to any land-grant railroad company, and have not heretofore been sold in good faith for a valuable consideration, and report to the Secretary the character and value of said land, and pending such examination and report none of said lands shall be exchanged for other lands outside of said reservation."

It may be well to state at this point that the Central and Union Pacific Railroad had received grants by an Act of Congress, 20 miles wide, from the Missouri River on the west boundary of the State of Iowa, straight across the continent to the Pacific Ocean, through the length of the States of Nebraska, Wyoming, Utah, Nevada, and California. The road has the odd sections on a strip 10 miles wide on each side of the tracks. The Northern Pacific Road received a grant of land 40 miles in width from some point in the State of Minnesota, clear through to the Pacific Ocean. This grant extended through the States of Minnesota, North Dakota, Montana, Idaho and Washington, and the area granted included the odd sections throughout this entire region. These grants embraced the good and the bad land alike. Of necessity they included large areas on the tops of the Rocky Mountains and the Cascade Range and a great deal of desert land. Whether by design or not, when the forest reservations were created, they embraced, indiscriminately, forested and non-forested districts. By some chance they also embraced large areas of desert land. These deserts were probably embraced intentionally so that the railroads could exchange their odd sections of worthless desert land for lands of great value outside the reservation.

After I had presented the amendment just referred to, I made a statement of these facts, after which the following significant debate took place. I quote it in order to show where certain Senators lined up when it came to an issue between private interest

and the public welfare. (Con. Record, May 31, 1900, 1st session, 56th Congress, p. 6288.)

Mr. PETTIGREW: "Mr. President, the amendment I propose is a provision for the protection and administration of forest reservation. Three years ago in an appropriation bill we provided for the protection and administration of these reservations, and provided that any actual and bona-fide settler who had taken a claim within a forest reservation afterwards created could exchange his land if he desired to do so, for a like area of the public domain. It was the intention of the law to allow a settler whose land was embraced in any forest reservation to exchange his land, if he desired to do so, for lands outside of the reservations, acre for acre.

"But certain words were inserted under which the Department has decided that a land-grant railroad can exchange the worthless lands—lands from which the timber has all been cut, tops of mountains, the inaccessible and snow-capped peaks of the Rockies and Sierra Nevadas—for the best land the Government has, acre for acre. So they have swapped lands on the Cascade Range, which are covered forever with ice and snow, not worth a tenth of a cent an acre, for lands worth from six to ten dollars in the valleys of Washington and Oregon and Idaho and Montana, thus depriving the settlers of a chance to secure these lands, besides enlarging the grants of the railroads to that extent.

"Now, my amendment simply provides that these lands shall be inspected and examined by the officers who have charge of the reservations, and they shall report to the Secretary the character of the lands that belong to these companies, so that in the future we can make a proper adjustment—not an adjustment by which they shall receive a thousand times more than which they surrender—and that while the appraisement is going on no more exchanges shall be made. That is all that the amendment aims to ac-

complish, and it is one in the interest of the public beyond all questions, suspending the operation of a law which Congress would never have passed if it had been discussed."

Mr. ALLISON: "I wish to say that this amendment, as it appears to me, is general legislation. Certainly on the statement made by the Senator from South Dakota, it changes the existing law. I hope he will not press it on this bill, because if he does we shall be obliged to make the point of order that it is proposed general legislation."

Mr. PETTIGREW: "I wish to say that I do not believe it is subject to the point of order, because it prescribes the duties of these officers who are provided for and the method of the expenditure of the appropriation now in the bill. Therefore, I do not believe it is subject to the point of order. It seems to me if it is possible to insert the amendment we ought to do it and protect the Government and the people of this country against the execution of a law which we never would have passed if we had known what it contained."

Mr. PETTIGREW: "I should like to ask the Chairman of the Committee on Appropriations if the Secretary of the Interior did not think the law should be entirely repealed?"

Mr. ALLISON: "The Secretary did."

Mr. PETTIGREW: "Did he not think there were great frauds being practiced under it?"

Mr. ALLISON: "I have no doubt that is all true, but that is a subject we cannot deal with now."

(The amendment is read again.)

Mr. PENROSE: "I make the point of order that this is general legislation and contrary to the rule."

THE PRESIDENT (protempore): "The Chair has overruled that point of order. It has already been made. The question is on agreeing to the amendment."

"The amendment was agreed to."

Allison of Iowa, Tom Carter of Montana, Chandler of New Hampshire, Platt of Connecticut, Aldrich of Rhode Island, Penrose of Pennsylvania, Walcott of Colorado, Hawley of Connecticut, all joined in the fight against me to see that the land-grant railroads were given this vast graft at the expense of the people of the United States and against the public welfare. This is but a typical case. The lawyers in the Senate always lined up against the people of the United States and in favor of the railroads and the other predatory interests who are the real government of the United States. This Senate debate is significant because it shows that rascality, graft, and public plunder are not political questions, especially in so far as the Senate of the United States is concerned.

Observe that Allison of Iowa, who had inserted the amendment making possible the exchange of these railroad lands, was among the first to attack my amendment and to insist that it should not go into the bill. Observe further that Tom Carter, Chairman of the Republican National Committee, took the same side. It was he who figured in the scandalous affair during Harrison's second campaign for election, at which time he collected from Cramp, the shipbuilder, $400,000 and told Cramp where the money was to be expended. When Tom Carter died he left a large fortune. This same debate was participated in by Bill Chandler of New Hampshire, Stewart of Nevada and finally Penrose of Pennsylvania, who arose and for the second time raised the point of order against my amendment. Penrose continued in public life for many years as a faithful servant and representative of the great predatory interests. He has never been a representative of the people of Pennsylvania or of the United States.

Despite all of this opposition my amendment was adopted without a roll-call. The reason is plain. Neither these men nor their backers desired to have

the amendment become a law, but the scandal connected with the exchange of the railroad lands had gained such publicity, and the amendment was so clearly in the public interest that they did not dare to kill it openly. Besides, this was an amendment to the Sundry Civil Bill and could be changed in conference, and the conference report forced through the Senate on the last day of the session. Allison of Iowa was called "Pussyfoot Allison" by his fellow Senators because of his cunning, his unscrupulous rascality, and his suavity, and he could be relied upon to throw out the bill as reported from the conference committee anything that threatened property interests.

So the bill passed the Senate and went to conference.

Allison was chairman of the conference on the part of the Senate and Joe Cannon on the part of the House. The conference struck out my amendment, adopted by the Senate, and inserted in its place the following:

> "That all selections of Land made in lieu of a tract covered by an unperfected bona-fide claim or by a patent included within a public forest reservation as provided in the Act of June 4, 1897, shall be confined to vacant surveyed non-mineral public lands which are subject to Homestead entry not exceeding in area the tract covered by such claim or patent."

The conference simply struck out the Senate amendment and inserted the original clause that they had placed in the Sundry Civil Bill of 1897 and under which the fraudulent exchange had taken place. The change would have permitted the railroads to continue the exchange of their worthless lands for the best of the government land and thus to plunder the public domain.

The Conference report came up in the Senate on the day before adjournment. I was watching to see what had been done with my amendment, for I knew

Allison and Cannon were but paid attorneys of the railroads. When the amendment was read (56th Congress, 1st Session, Congressional Rec., p. 6690):

Mr. PETTIGREW: "I should like to understand the paragraph in relation to non-mineral lands. As I understand it, as read from the Secretary's desk, it permits a continued exchange by the land-grant railroad companies of the worthless lands in the forest reservations for the best land the Government has. Is that correct?"

Mr. ALLISON: "I do not so understand it. The amendment provides for the exchange of surveyed lands only, and not of unsurveyed lands."

Mr. PETTIGREW: "But it allows the exchange?"

Mr. ALLISON: "It allows the exchange of surveyed lands."

Mr. PETTIGREW: "Mr. President, this conference report provides that lands where a railroad company has cut off all the timber or the land on the snow-capped peaks of the mountains, if they are within a forest reservation, can be exchanged for the best lands the Government owns, acre for acre, for timber lands. Hundreds of thousands of acres have already been exchanged, and yet, although the Senate placed upon this bill an amendment which would stop that practice, the conference committee brings in a report to continue it."

I wish to call particular attention to the statements made by Allison and Wolcott, that only surveyed land could be exchanged. This statement is specifically contradicted by the wording of their own amendment. The falsity of the statement was well known to them, yet they made it for the purpose of deceiving the Senate.

A number of the faithful friends of the plutocrats distinguished themselves signally in this debate. Among them were Senators Wolcott of Colorado and Hawley of Connecticut.

Senator Wolcott, who came into the Senate without a dollar, retired from that body with a large fortune. He was always eager to get into the Record as having produced laughter on the part of the Senators. He considered his effort in the interest of the robbery of the public domain particularly worthy of credit.

Old Hawley of Connecticut was always a champion of the interests. As long as I knew him he was mentally incapacitated from comprehending anything except the interests of the big business groups with which he always acted. He had an intellect like the soil of Connecticut, so poor by nature that it could not be exhausted by cultivation.

The amendment, as modified by the Committee on Conference was finally agreed to, because if we did not agree to the Senate Civil Sundry Bill with this amendment in it, an extra session would have been necessary. Thus the fraud was perpetuated, and the continued grabbing of public lands made possible.

The frauds thus deliberately ratified by Congress after all the facts were known caused me to wonder what forces were in control of the Government, and convinced me that the lawyers who composed two-thirds of both Houses of Congress were but the paid attorneys of the exploiters of the American people, and that both political parties were but the tools in the hands of big business that were used to plunder the American people. The frauds begun under Cleveland, a Democratic President, were enlarged and completed under McKinley, a Republican President. Millions of acres of forest reservation were established in Montana, all within the grant of the Northern Pacific Railroad, where there was no timber or forests, only a little scrub pine that never was and never will be of any value for lumber or any kind of forest products, and that was done so that the Northern Pacific Railroad could exchange its odd sections of worthless desert for scrip, acre for acre, and this scrip sells for from $8 to $10 per acre, and can be

located on any land the Government owns anywhere within our broad domain, and the desert for which this scrip was exchanged was not and is not worth ten cents per acre.

This is the story of one small event in the great drama of American public life that had been unfolding all around me. I have told it in detail because it shows, as well as anything that I ever learned, the fate that lay in wait for any measure aimed to promote the public welfare. When I began this fight for the enactment of forest legislation, I believed that we were enjoying a system of popular government in the United States. By the time the fight was ended, I understood that the country was being run by plunderers in the interest of capital.

II. THE LAND FOR THE PEOPLE

Powerful interests were out to plunder the public domain. I had felt their grip. They were shrewdly advised. I had faced their spokesman in the Senate and the House. They were sinister. Many a man, under my eyes, had tried to thwart them, and not one such had remained an enemy of the vested interests and at the same time continued in public life. Nevertheless, I went straight ahead, trying to save the land for the people. I knew how enormously rich was the public domain; I had an idea of its possibilities. I wanted to have it used in the future, not for the enrichment of the few, but for the well being of the many.

In order to protect the public in their sovereign rights over the remainder of the public domain, I worked out what I believed was a feasible plan for keeping the public domain in the hands of the public. After I had secured the forest legislation and the passage of the law administering forests, I introduced the following bill in the Senate on March 22, 1898 (55th Congress, 2nd Session):

A BILL

To preserve the public lands for the people.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled,

> That the public lands of the United States, except reservations, be and they are hereby donated to the States and Territories in which they may be located on the sole condition that all such public lands shall be held in perpetual ownership by such States and Territories to be used by the people residing therein free of rent under such regulations as may be prescribed by the legislatures of such States and Territories each for itself.

This bill had three purposes:

1. To make use and not ownership the criterion in the distribution of nature's gifts to individual citizens.

2. To keep the title to the public domain, including agricultural land, mineral land, timber land, water-power, and all other natural gifts, perpetually in the whole people, and thus to prevent any greater quantities from getting into the grip of the few.

3. To localize control over the administration of the lands, so as to bring the problem closer to the people.

Could this first step be taken, I believed that we should be in a position to go forward with a general program for the conservation of all resources.

The bill was referred to the Committee on Public Lands, of which I was a member, and to the members of that committee, individually and collectively, and on the floor of the Senate, I presented my arguments. In support of my proposition that the public domain should be leased but never sold, I stated that the public domain in my own state amounted to 20,000,000 acres of grazing land. Then I showed that if these lands were conveyed to the State of South Dakota, with the privilege of leasing, they could be leased to cattlemen for ten cents an acre, which would produce a revenue of $2,000,000 a year. Then I showed that this money derived from farm leases could be used to build great reservoirs on the heads of all streams and store the flood-water, and thus irrigate and make productive large areas of this semi-arid land.

I called the attention of the Senate to the fact that Dakota land was only one part of the public domain, and that the Dakota problem was only one aspect of the whole problem of conservation. I showed them that the United States had 500,000,000 acres of arid and semi-arid land, large areas of which could be irrigated to advantage, either through stream conservation or through the sinking of artesian wells.

Furthermore, I showed that the Government, through its control of the lakes and streams of the country, had an opportunity to adopt constructive relief measures designed to meet the recurring floods and droughts in the lower reaches of the rivers. Many of the streams are navigable. Successful navigation depends on the maintenance of a steady flow of water. Many were used for the generation of power. Again, there is a need to conserve the spring surplus to cover the needs of the late summer. Each spring this water, so sorely needed later, is allowed to run off from the land, not only wasting the supply but, through floods, overflowing the banks and destroying temporarily or permanently large areas of fertile and cultivated land.

For the purpose of preventing this destruction, particularly along the Mississippi, Congress had for many years appropriated money for the construction of dykes and levees, under the theory that such work was for the benefit of commerce. Here was a two-fold problem: Millions of acres of arid land, on the one hand, required only water to make them produce splendid crops. On the other hand, the interests of commerce, of power development and of the dwellers along some of the larger rivers, demanded an intelligent regulation of stream flow.

It was estimated at that time by the Government authorities that 72,000,000 acres of land could be thus reclaimed and made to produce crops sufficient to support 15,000,000 people. The benefit that commerce, industry and agriculture would derive from such a plan would be incalculable. Therefore, I moved an appropriation of from one to two hundred million dollars to begin the building of such reservoirs as were most urgently needed and the establishment of irrigation projects in the districts that would yield the most immediate results.

I further showed that if the storm water was all stored in these reservoirs, it would reduce the floods on the great rivers—the Missouri and the Mississippi

—and obviate the necessity of building embankments to reclaim the lands heretofore flooded by these great rivers. Thus, the leasing of the land held the title for all the people, while it made the land available for such as were able to utilize it.

For my part, I stated that I would prefer to have Congress turn over its arid and semi-arid land, lying within its boundaries, to the State of South Dakota, because I believed the problem would be practically and honestly worked out to the great advantage of the people of that state. The same thing I insisted was true of Idaho, of Montana, of Wyoming, of Colorado, of Nevada, of Utah, New Mexico, Arizona, Western Kansas, Western Nebraska and North Dakota. I insisted that the nation could not afford longer to neglect this great opportunity for material advancement, which I considered of fully as much importance, if not of more importance, to the future greatness and prosperity of this country than the clearing out of harbors along the small streams of the coast, or even the development of the great harbors themselves.

The arguments fell on deaf ears. These questions arose during the days following the Spanish War and preceding the conquest of the Philippines. We had started upon a career of conquest rather than one of internal improvement. The Administration, backed by many of the people, believed that it was of great benefit to this country that we should annex 10,000,000 people in the Philippines. Instead of spending hundreds of millions in conquering the Philippines, it would have been far better economy and better business judgment to spend it in reclaiming the arid lands of the west.

At the time that I presented these arguments to the Senate, I considered them weighty. I consider them weighty today. I believe that they represented the only statesmanlike approach to the problem of resource conservation and that they suggested a line of action that might have been followed to the advantage

of the people of the United States. Yet I was unable to persuade the committee to report the bill back to the Senate in any form.

There was no question of choosing between two policies. The committee had no policy on this subject. On the subject of the public domain they had one conclusion—that the only way to get a state or territory prosperous was to get the title of the public domain out of the Government and into the hands of some private interest, by selling it, or giving it away, or doing anything to get rid of it.

There was not a single member of the committee on public lands that was in favor of the sovereign ownership of the natural resources. They wanted to deed not only the land, but the minerals underneath the land, and also to convey the water power so that these utilities, of no value except that which the community gave them, could be used to enrich individuals and exploit the whole population. Everyone was opposed to public utilities being used for any other purposes than that of enriching individuals, and corporations were being rapidly formed for the purpose of more thoroughly performing this work of exploitation.

Two-thirds of both houses were lawyers, and they believed that the rights of property, no matter how acquired, were the only sacred thing in connection with humanity, and the only legitimate subjects for the consideration of a well-ordered legislative chamber in an intelligently directed state. The same point of view has prevailed ever since, and therefore no policy of reclaiming and utilizing the public domain for the benefit of the people of the United States has ever been adopted. Instead, the 65th Congress, at its second session, passed the infamous Shield's Water Power Bill.

The natural resources of the United States, a hundred years ago, were the richest possessed by any modern nation. Like the air and the sunlight, they existed in almost limitless abundance. But the "land-

hog," in his multitude of corporate forms, came upon the scene and today the timber (except 170,000,000 of acres embraced within the forest reservations), coal, copper, iron and oil that once belonged to the American people are in the hands of a few very rich men who, with their agents and attorneys and hangers-on, administer these free natural gifts for their own profit. At the present moment, the one great resource remaining in the hands of the whole people—the "white coal" of our streams and rivers—is being gobbled up by the public utility corporations, which plan to charge four prices for a commodity that should go to the people at the cost of production.

I made my fight on the land because it was so basic and so important from the point of view of economic strategy; because it was so rich; because, by holding and using it for their common advantage, the American people might have remained free; because this same land, in the hands of a small and unscrupulous ruling caste, will not only enable the members of that caste to live parastically upon the labor of the remainder of the community, but will give them the right to decide who among the citizens of the United States shall be able to earn a living and who shall be condemned to slow starvation.

I lost my fight on the land because every branch of the government machinery was manned by the agents and attorneys of the interests which were busy grabbing the public domain; because, through their control of the press, they kept the public ignorant of the things that were really transpiring, and because the people, lulled by soft words such as "liberty" and "constitutional rights," were busily pursuing their daily occupations, secure in the belief that the Government would protect them. So I lost the fight because those who wanted the land were keen and powerful, though few in number; while the many, from whom the few stole it, were basking in the belief that they were citizens of a "free country."

IV. MONEY

My experiences with the world of affairs have convinced me that the power in our public life was exercised through the bankers. My study of banking showed me that the grip which the bankers were able to maintain on the economic system depended largely upon their ability to control money. There were two ways in which they exercised this control. One was by determining who should issue money. The other was by specifying its character. The bankers of the United States have been in a position to decide both of these questions in their own interest.

The Constitution of the United States says that the Congress shall have power to coin money, to regulate the value thereof and of foreign coins, and to fix the standard of weight and measures. The Constitution does not empower Congress to delegate the right to issue money to any person or combination of persons.

Yet the Congress has always delegated the right to issue money to the banks. The power thus conferred by Congress upon the banks to issue money has been used by the bankers to exploit and plunder the people of the United States.

While I was a member of the House of Representatives (1880) I had become acquainted with Peter Cooper of New York. The renewal of the National Bank charters was under discussion in the House at the time and of course the whole question of currency and of our economic system was covered in the debate. One day Peter Cooper of New York placed upon our desks a pamphlet dealing with the money question. I read this pamphlet with great interest, because Peter Cooper was called a "greenbacker" and was supposed to be in favor of what they called "fiat" money. Again any again throughout they

debate his name had been mentioned and he had been abused by the speakers.

The foundation theory of Peter Cooper's pamphlet was that the law of supply and demand applied to money just as it applies to other commodities, so that an abundance of money would be registered in the rise in the price of all those things whose value is measured in terms of money. In other words, that the law of supply and demand (the theory that quantity affects price) applies to money as well as to corn, oats, and potatoes. Therefore, the proof of a too great abundance of money lay in the universal rise of prices; and, conversely, the proof of money scarcity was the universal decline in prices. Following this theory, it became evident that while the price of any one commodity would rise or fall, according to the variations in the supply of and demand for that commodity, a general rise or fall of all prices indicated that money was to abundant or too scarce. Peter Cooper held that money was redeemed whenever it was exchanged by the possessor for the things which he desired more than he desired the money, and that there should be no other form of redemption. In other words, money should be issued by the government and its volume so regulated as to maintain a steady range of prices.

I was so interested in this pamphlet that I went to New York, made the personal acquaintance of Peter Cooper, and talked with him many times and quite fully upon social and economic questions. These talks, and the ideas which I had secured from my reading, convinced me that so long as the banks controlled the issue of money, they would be able to determine the economic life of the United States.

Shortly after my entrance into the Senate, the whole question was dramatized in the struggle over the free coinage of silver.

The big business interests had become convinced that if the United States was to take her position as one of the great exploiting nations of the world she

must follow the example of England—the world's premier empire—and establish a gold basis for the currency. It was in opposition to this policy of imperialism that we advocated the free and unlimited coinage of silver.

We were demanding that, in this respect, the United States should take a position worthy of her great traditions and refuse to strike hands with the international plunderers who were busy with their work of economic aggression in all parts of the world. Those of us, who were opposing British or any other brand of imperialism, were, with equal insistence, demanding that the United States adopt a money system calculated to protect the borrower as against the lender, and so designed as to take out of the hands of private individuals the huge power that money-lending conferred.

The Government of the United States has allowed interested parties—creditors and bankers—to manipulate its credit and volume of money in such a way as to produce panics and, by this means, to plunder those who toil. These panics have come at stated interals. M. Juglar (a French authority) has fully analyzed the three phases of American business life into prosperity, panic and liquidation, which three constitute themselves into a "business cycle" which ordinarily occupies about ten years. These ten years may be apportioned roughly as follows: Prosperity, five to seven years; panics, a few months to a few years; liquidation, three or four years.

Here is a list, with dates, of all the panics in the United States during the last century, with the corresponding dates for France and England:

France	England	United States
1804	1803	....
1810	1810	....
1813-14	1815	1814
1818	1818	1818
1825	1825	1826

France	England	United States
1830	1830	1829-31
1837-39	1836-39	1837-39
1847	1847	1848
1857	1857	1857
1864	1864-66	1864
....	1873	1873
1882	1882	1884
1889-90	1890-91	1890-91
1894	1894	1893-94
1897	1897	1897
1903	1903	1903
1907	1907	1907
1913	1913	1913

What evidence could be more conclusive of the utter failure of a system of economic life than these successive breakdowns in the machinery of production and exchange? Yet here is the record upon which the present economic system must stand condemned in the eyes of every thinking human being—the record of disaster following disaster, with neither the inclination nor the ability, on the part of the masters of business life, to put a stop to these successive stoppages of economic activity.

The figures just cited show that, during the past century, panics have occurred in England and France at the same time that they occurred in the United States. These three countries are linked together by the "gold standard," and their governments are capitalistic governments—administered by the banks and creditor classes for the benefit, not of the people, but for the benefit of the rich. Furthermore, all three countries have the same, or about the same, distribution of wealth. In each of these countries the workers are robbed of what they produce by the same process. The creditor classes, through their privileges, are able to manipulate the money and credit through panics, so as to produce, first, a rise in prices—by expansion of money and credit, then a withdrawal of both, followed

by a sudden drop in prices, and then liquidation. Or, in other words a gathering in of all property produced by toil. With the liquidation, the cycle is completed and there follows a new cycle of ten years more, of prosperity, panic and liquidation.

I have had an excellent opportunity to observe the effect of these successive economic disasters upon the producing class. I went to the Territory of Dakota in 1869 and located at Sioux Falls, near the northwest corner of the State of Iowa. At that time, all of the land in Dakota was owned by the Government and was subject to entry under the Homestead and Preemption laws, and could only be secured by actual settlers. The result of the panic of 1873 caused very many of these homesteaders to commute their homesteads, because the price of farm products had declined below the cost of production. As a result, the movement for farm tenancy was begun. The United States publishes no figures on farm tenure previous to 1880, but by that year the percentage of tenant farmers in the rich Middle West was for Illinois, 23.7 per cent; Michigan, 31.4 cent; Iowa, 23.8 per cent; Missouri, 27.3 per cent; Nebraska, 18 per cent, and Kansas, 16.3 per cent.

The next great disaster to the producing classes culminated in the manufactured panic of 1893. Grover Cleveland had been elected President of the United States upon the tariff issue in 1892, and when he took office in 1893 he called a meeting of Congress for the purpose of repealing the purchasing clauses of the Sherman law of 1890, which provided that the Treasurer of the United States should purchase and coin not less than two million dollars' worth of silver and not more than four and a half million dollars' worth during each month, thus adding to the volume of circulating medium. The cutting-off of four and a half millions of silver by the repeal of the Serman law purchasing clauses, with its consequent decline in the volume of money, proved disastrous. The prices of all farm products fell sharply, causing the ruin of the

agricultural classes and a prolonged panic nearly as disastrous as that of 1873.

The members of the House of Representatives, who believe in bimetallism, called a meeting a day or two before Congress was to assemble, and 201 members of the House declared that they were in favor of both gold and silver as money, because there was not gold enough in the world to furnish a circulating medium. Two weeks afterwards, when the vote was taken in the House of Representatives on the bill to completely democratize silver by repealing the purchasing clause of the Sherman Act, one hundred of these members had been bought over, through patronage and money and party pressure, to the interests of the bankers, and thus the bill was passed.

The panic of 1893, resulting from this act, which involved a contraction of the volume of money and a reduction in prices, again drove large numbers of people from the land and reduced agricultural production below a remunerative point. As a result of this panic and the panic of 1873, the lands in Dakota, which had all been owned by the cultivators, passed into the hands of the mortgage companies, the banks, the creditors, so that in the county where I reside—Minnehaha County, South Dakota—52 per cent of the farms now are cultivated by tenants. Within my memory, every acre of land in that county belonged to the Government. Both in the panic of 1873 and in that of 1893 the results were the same. The owners and monopolists of money used their monopoly power to squeeze the small producer and to enrich themselves.

When gold became very abundant in the middle of the century, the creditor classes wanted to demonetize that metal in order to make money scarce. Then came the flood of silver, and they feared that more than gold.

John Sherman undertook the duty of carrying into effect in the United States the demonetizing of silver. John J. Knox, Comptroller of the Currency, a crafty, scheming, money-making individual, got up a codifica-

tion of the mint laws. John Sherman introduced the bill, and continually talked about the silver dollar, the inscriptions on it, etc. But when the bill became a law it was found that there was no provision for a silver dollar in the bill, the trade dollar containing 420 grains taking the place of the silver dollar, and thus silver was demonetized, and it was made easy for the creditor classes of the world to corner gold and thus to control money.

How conscientiously this control over money has been exercised is indicated by the actions and utterances of the bankers themselves.

The American Colonies had been in the habit, for a number of years before the Revolution, of issuing what were than known as Colonial Treasury notes; the notes were made receivable by the several provinces for taxes. These Colonial notes being adopted by all the Colonies led to an unexpected degree of prosperity, so great that when Franklin was brought before the Parliament of Great Britain and questioned as to the cause of the wonderful prosperity growing up in the Colonies, he plainly stated that the cause was the convenience they found in exchanging their various forms of labor one with another by the paper money, which had been adopted: that this paper money was not only used in the payment of taxes, but in addition it had been declared legal tender. After Franklin explained this to the British Government as the real cause of prosperity, they immediately passed laws forbidding the payment of taxes in that money.

In 1862, the creditors of the United States, the Bank of England, sent the following circular to every bank in New York and New England:

> "Slavery is likely to be abolished by the war power, and chattel slavery destroyed. This, I and my European friends are in favor of, for slavery is but the owning of labor and carries with it the care for the laborer, while the European plan, led on by England, is for capi-

tal to control labor by controlling the wages. THIS CAN BE DONE BY CONTROLLING THE MONEY. The great debt that capitalists will see to it is made out of the war must be used as a means to control the volume of money. To accomplish this, the bonds must be used as a banking basis. We are now waiting for the Secretary of the Treasury to make the recommendation to Congress. It will not do to allow the greenback, as it is called, to circulate as money any length of time, as we cannot control that."

In 1872, the ring of bankers in New York sent the following circular to every bank in the United States:

"Dear Sir: It is advisable to do all in your power to sustain such prominent daily and weekly newspapers, especially the agricultural and religious press, as will oppose the issuing of greenback paper money, and that you also withhold patronage or favors from all applicants who are not willing to oppose the Government issue of money. Let the Government issue the coin and the banks issue the paper money of the country, for then we can better protect each other. To repeal the law creating National Bank notes, or to restore to circulation the Government issue of money, will be to provide the people with money, and will therefore seriously affect your individual profit as bankers and leaders. See your Congressman at once, and engage him to support our interests that we may control legislation."

The panic of 1893 was a bankers' panic and in their interest and the ring of gambling bankers in New York sent out the following circular to every bank in the United States:

> "Dear Sir: The interests of national bankers require immediately financial legislation by Congress. Silver, silver certificates and Treasury notes must be retired and National Bank notes upon a gold basis made the only money. This will require the authorization of from $500,000,000 to $1,000,000,000 of new bonds as a basis of circulation. You will at once retire one-third of your circulation and call in one-half of your loans. Be careful to make a money stringency felt among your patrons, especially among influential business men. Advocate an extra session of Congress for the repeal of the purchasing clause of the Sherman law, and act with the other banks of your city in securing a large petition to Congress for its unconditional repeal, per accompanying form. Use personal influence with Congressmen and particularly let your wishes be known to your Senators. The future life of National Banks as fixed and safe investments depends upon immediate action, as there is an increasing sentiment in favor of Government legal tender notes and silver coinage."

Mr. Alexander is right about the strength of the American banking system. Under the Federal Reserve Act the vast power of the thirty thousand American banks is concentrated in the hands of a little club with headquarters in Wall Street. This club holds in its hands the power to make or to destroy any business man in the United States; the power to make or wreck financial institutions and inaugurate panics; the power to issue credit, and even money. The bankers at the center of the financial web are endowed with the power of government.

The right to issue money is, as I have said, fundamental. This right is exercised by the New York Bankers' Club, thinly disguised as the Federal Reserve

Board. On November 3, 1920, the amount of Federal Reserve notes outstanding was $3,568,713,000.

What was the basis of this huge issue of paper money? Commercial paper!

The member banks were permitted to lend money (or credit) to their patrons; to take commercial paper in exchange for their loans; to deposit this paper under the authority of the Board and to issue currency against it. This currency was again loaned out, the paper re-deposited, etc., so that the Federal Bank of New York was able to earn, by this pyramiding of credits, over 200 per cent in the frugal year of 1920, in a market where the rate of interest never ran over 8 per cent on standard securities.

Through their authority over money and credit, the bankers thus became the arbiters of the business destiny of the United States. No one elected them. No one can recall them. There is no way in which they can be made the object of public approval or disapproval. They are as far above public responsibility as was William Hohenzollern in Germany before 1914. Self-elected dictators of American life, they make and unmake; they wreck and rule. They are the heart of business America; the center of the exploiting system that sits astride the necks of the people.

The United States emerged from the Great War with the best credit of any of the larger nations. Its wealth was the greatest; its income the largest, and its bank assets and resources exceeded those of any other country; but this very economic position, centered as it is in the hands of bankers, will be used by them to exploit the peoples of Latin America and Asia as they have, during recent years, exploited the people of the United States. Exploitation is the profession of the banker, and those in charge of the American banking institutions have the greatest exploiting opportunity that has ever come to the bankers in any of the modern nations.

The banking system of this country is so organized and constituted as to take from the producer the result

of his effort; purposely so organized; organized with the intention of controlling the volume of money; contracting and expanding credit so as to produce a panic, or apparent prosperity, as suits the purpose of its organizers and managers.

This system of banking was the invention of Lord Overstone, with the assistance of the acute minds of the Rothschild bankers of Europe, and was so constructed as to enhance the importance of capital and overshadow the importance of toil. The system is one based upon a small volume of legal tender money, and the limit of this volume they would make as small as possible, in order that they may control it absolutely. Expansion by the issue of credit, not legal tender; contraction by the withdrawal of credit. Expansion that they may sell the property of the producers, which they have taken in with the last contraction, and then contract again in order to wreck the enterprising and once more reap the harvest of their efforts. This is the banking system of Great Britain, and the banking system of every gold standard country in the world today. It is the banking system of the United States. This is the system the Republican party is pledged to strengthen and perpetuate. There is no hope of relief for the people of this agricultural country in any possible thing the Republican party can or will do. In 1873, fearing that the value of metallic money would become too large, these manipulators of panics, these gathers of the products of other people's toil, set about to secure the demonetization of silver and make all their contracts payable in gold. The result has been, as the thinking ones of every nation agree, that in every gold standard country on the globe, agricutural prices have fallen steadily until we have reached a point where the cost of production is denied the producer. The present Federal Reserve law adopted by the United States is but a culmination of all the infamous banking systems ever invented by any age or people, and it has already produced the

practical enslavement of the people of the United States.

Banking and the issue of money and credit are the duties of the sovereign and should be performed by the Government for service and not for profit, and for the equal good of the whole population. Section 8, Paragraph 5 of the Constitution of the United States says:

> "Congress shall have power to coin money, regulate the value thereof and of foreign coins." (Congress is not by the Constitution authorized to delegate the power to any person or corporation).

The functions of money are created by law and are legal tender, a measure of value and, as a result, a medium of exchange, and the value of the unit of money depends upon the law of supply and demand, and the volume of money should be regulated so as to maintain a steady range of prices, and this can be done by the use of index number. No substance should be used as money that has any value besides its money value.

And, above all, no metal should be used that has a commodity value, as the volume of money is liable to be affected by hoarding and by being shipped away to other countries, and by being consumed in the arts. In fact, money should never be international. It is the most important tool that a nation can possess for the transaction of its business, and it is more idiotic to ship it out of the country to pay balances than it would be for a farmer to ship his implements, plows and reaper away and sell them for seed; or a manufacturer to strip his factory of its machines and sell them for raw material.

VI. THE TRUSTS

I was in the Senate when the Sherman Anti-Trust Law was passed in 1890. I was there representing a state that was rabidly opposed to trusts in theory and trusts in practice. For twelve years I worked and voted to drive the trusts out of American politics, and yet, as if in ironical comment on the futility of my efforts, the Steel Trust—greatest of them all—was organized during my last year in the Senate (1901).

The people of South Dakota lived on the land and still believed in the necessity for competition. They had grown up under the conviction that our civilization is founded upon the theory of evolution, upon the doctrine of the survival of the fittest, upon the law of competition. The result of this theory in the past was feudalism, or the supremacy of brute strength and physical courage, and its resulting paternalism. But feudalism, by the operation of the law of competition and evolution, destroyed itself by the subjugation of the weaker by the stronger and the creation of monarchial forms of government in its place.

My history had taught me these facts. Coming from a state that was still under the control of farmers, small shop-keepers and professional men, I believed that this theory of competitive life held out the soundest answer to the many public questions then confronting the country. Despite all my efforts, I witnessed the abandonment of the old theory and the adoption of a new practice—the practice of trust organization. Competition, under this theory, ceased to be the life of trade, and became an irksome form of activity that should be dispensed with at the earliest convenient moment.

We, the American people, have abandoned the doctrine we often repeated and so much believed, that competition is the life of trade, and have adopted the

doctrine that competition destroys trade. The practice of this new economic theory calls for the organization of trusts and combinations to restrict production, to maintain and increase prices, until practically all of the important articles manufactured in the country are produced by combinations and trusts. Thus the fundamental principle of the early American civilization is overturned, and those who do not combine—the farmer, the individual proprietor, the professional man and the toilers of the land—are at the mercy of those who do combine.

The rapid growth of trusts in the United States began with the demonetization of silver, and the formation of trusts was the means adopted by some of the most far-seeing and shrewdest men, having control and direction of capital invested in manufacturing and transportation, to avert losses to themselves by reason of falling prices, which lead to overproduction and under-consumption. They realized that the first effect of a decline in prices is to stimulate production, because the producers hope to make up the difference in price by larger sales at less expense. They also foresaw what the average producer fails to see, that when the decline of prices is general the purchasing power is less in the whole community, and therefore an increased production can find no market at any price, so that there exists at the same time an overproduction of things which are most needed and an underconsumption of these very things, because of the inability to purchase them.

The organizers of the trusts did not go into the causes of failing prices. In most cases they knew nothing about the natural effects of throwing the entire burden upon one metal constituting the basis of the money of the world, which had formerly rested upon both gold and silver. So they made the common error of mistaking effect for cause, and attributed the decline in prices to overproduction. Therefore they combined and formed trusts to restrict production and keep up prices. The effect of the successful operations

of trusts is to compel higher prices to be paid for the finished product, or for transportation, while they do not check the decline in the value of raw material nor in the rates of wages, nor do their managers wish to do so.

I do not desire to be understood as charging that the trusts are able to withstand the general fall of prices. The ability of the consumer to pay fixes the limit beyond which prices cannot be forced, and that is the only limit upon the powers of a trust to regulate prices when the combination of domestic producers is so perfect as to defy competition at home and the tariff duty upon the imported article excludes the competition in our markets of foreign producers.

Many people, during the nineties, insisted that there were no trusts. Today there are persons who believe that the trusts have been "busted" by our bluff and scholarly chief executives. The trusts were growing into positions of power in the late nineties; they received an immense impetus through the economic and political events surrounding the Spanish-American War. The first fifteen years of the new century has witnessed a rounding out of the trusts and and expansion into wider fields of activity.

My particular attention was attracted to the Sugar Trust because I had come into such intimate contact with its workings in connection with my fight over the annexation of Hawaii.

Prior to August, 1887, there was life and free competition in all branches of the sugar trade. The producers of raw sugars all over the world sought in the ports of the United States a market in which numerous strong buyers were always ready to take their offerings at a price varying with the supply and demand. There was the same healthy competition among the sugar refiners as among the producers and importers of raw sugar. This was manifested by constant efforts to improve the product and to lessen the cost of refining by the introduction of better processes.

The distribution of the raw and refined sugar to the

consumer through the usual trade channels from the importers and the refiner by way of the jobber, the wholesale grocer, and the retail grocer to the family was also untrammeled. Each bought where he could purchase to the best advantage and sold upon terms agreed upon between him and the buyer, and not dictated by any third party.

But in 1887 the enormous profits amassed by the Standard Oil Trust suggested to a few of the leading refiners the possibility of controlling the sugar trade in the same way. It was then claimed for the first time that the individual refiners through competition were unable to make sufficient money to continue in business.

This seems a little strange in view of the fact that most of the refiners who had the misfortune to die or had retired from business before that time are known to have left or still posses large fortunes. Those millions, however, no doubt seemed insignificant in comparison to the potentialities of wealth offered by the adoption of trust methods.

So the sugar trust was formed in the fall of 1887 by a combination between twenty-one corporations, some of which were formed out of existing unincorporated firms for the express purpose of entering the trust, which was called the Sugar Refineries Company.

One of the first acts of the new trust was to close up the North River Sugar Refinery. This led to an action by the attorney-general of New York in behalf of the people for the forfeiture of the charter of the company, at the end of which the Court of Appeals declared the trust illegal, and the charter of the North River Company was forfeited. The trust was thereby compelled to abandon its organization and reorganize under the laws of New Jersey as the American Sugar Refining Company, a single corporation, in which were combined all the parties to the original trust.

While my amendment to the tariff act, providing that trust-made products should be admitted free of duty, was under consideration in the Senate, Senator

Sewell of New Jersey entered the debate with a remarkable question. (55th Cong., 1st Session, p. 1740):

Mr. SEWELL: "How does the Senator know that there is a sugar trust? The American Sugar Refining Company is a corporation of my state, with a very large capital and doing a large business. It is not in a trust with anybody, as I understand it. They surrendered everything of that kind three or four years ago."

Mr. PETTIGREW: "Mr. President, that is a strange question and a remarkable proposition. The American Sugar Refining Company was formerly a combination of twenty-one refineries. They closed the North River Refinery. The court of New York declared that combination to be a trust. Then these same people formed a corporation under the laws of New Jersey.

"I notice that almost every rotten corporation in this country is organized under the laws of New Jersey. I do not know whether the laws need fixing or not; but something is the matter. At any rate, all such corporations go there whenever they want to get up a combination to get away with somebody and to be sure that they will not be troubled. They formed a combination there of all these refineries, and then they proceeded to close refineries, raised the price to the limit of the tariff, and took from the people of this country untold millions. Under this amendment any combination or corporation for this purpose, to control production and increase the price, is a trust, and therefore the American Sugar Refining Company is a trust, and the courts can so decide.

"What is more, Mr. President, the president of the American Sugar Refining Company testified that they controlled the price of sugar—I read his testimony yesterday—that they fixed the price for the customers, and that they fixed it for everybody else. I also showed yesterday that the American Sugar Refining Company controlled every refinery in this country but four, and then I showed by the testimony of a St.

Louis grocer that they controlled those four; for when this St. Louis grocer refused to sign a contract by which he was to bind himself to buy no other than sugar made by the trust at a price fixed by them—when he refused to sign that contract to take their refined sugar on commission—they refused to sell any sugar at all; and when he applied to the four independent refineries, he could not buy a pound of sugar from them. So that, after all, the combination embraces not only all the refineries in the trust, but all the others."

After we passed the McKinley law, which was particularly favorable to the trust, Mr. Havemeyer was called before the Senatorial investigating committee, and he gave this testimony:

Mr. HAVEMEYER: "We undertake to control the price of refined sugar in the United States. That must be distinctly understood."

Senator ALLEN: "And the price of refined sugar in the United States is higher to the American people in consequence of the existence of the American Sugar Refining Company than it would be if the different companies in your organization were distinct and independent companies?"

Mr. HAVEMEYER: "For a short time it is."

Senator ALLEN: "And what difference does it make for the consumers in this country in a year in your judgment?"

Mr. HAVEMEYER: "It has been in three years past three-eighths of a cent more on every pound they ate, as against doing business at a loss."

In other words, the fact that they were in a trust and that they controlled the price, according to his own statement, added three-eighths of a cent to every pound of sugar consumed in this country.

Senator ALLEN: "And that would be about how much in round numbers?"

Mr. HAVEMEYER: "It is a large sum in the aggregate."

Senator ALLEN: "How many millions?"

Mr. HAVEMEYER: "I should say it was close to $25,000,000 in three years."

How did I know there is a trust in sugar? It has been told to everybody, until there is not a boy six years old who can read and write who does not know there is a sugar trust.

Senator ALLEN: "And you intend to keep your hold upon the American people as long as you can?"

Mr. HAVEMEYER: "As long as the McKinley bill is there we will exact that profit."

"We will exact that profit. Is there competition? Is there any show for competition? They say they fix the price and that they are going to continue to do it so long as you keep the duty on; and yet the Senator wants to know how I know there is a sugar trust. It would be astonishing if I did not know it."

That discussion took place at a time (1897) when it was still possible to feign surprise at the mention of "trusts" in the United States. After 1901, when the Steel Trust was organized, the matter was decided for good. After that everybody recognized the fact that there were trusts; that these trusts were managed by corporations; that the object of their management and manipulation was to increase the profits and the power in the hands of the business interests.

During the twelve years that I was a member of the United States Senate Congress did nothing effective for the control of the trusts. The Anti-Trust Act was passed in 1890, but no effective means were ever provided for its enforcement. The act of 1890 was passed by outraged farmers as a protest against the exploitation under which they were suffering. By the time I introduced my amendment to the Tariff Act in 1897, it was taken for granted that combinations of capital should exist, and that these combinations should get what they could.

A careful review of all legislation from the passage of the Sherman Anti-Trust Law in 1890 to the present time convinces me that it was the consistent policy of Congress to protect rather than to destroy the trusts and to build up and foster the trusts and thus create these great combinations to exploit the American people. Before I left the Senate they were talking about them as "benevolent institutions" and today they regard them as one of the bulwarks of our civilization.

Whatever possibilities there may have been in the act of 1890 disappeared with the "rule of reason" introduced by the Supreme Court. Not "restraint of trade" but "unreasonable restraint of trade" was the meaning of those who framed this law. Finally, in 1920, came the decision in favor of the continuance of the Steel Trust on the ground that public policy demanded it. I know of no better comment on the situation than the interview given out by Judge Gary after the Court's decision was announced:

"The decision as made will immeasurably add to the general feeling of confidence in the value of property and in the opportunities of business enterprise." (Boston "Globe," March 2, 1920.)

Judge Gary summarizes the entire policy of the Federal Government with regard to combinations and trusts. They were organized to protect property, and Congress has done everything in its power, during the last thirty years, to make trust organizers feel secure and happy.

VII. RAILROADS

Predatory power in the United States centers in three institutions—the bank, the trust and the railroad. In previous chapters I have described my relations with the money power and with the masters of organized industry. During my two terms in the Senate I had many a struggle with the representatives and bankers and trust magnates. I also had numerous encounters with the spokesman of the railroads, which were, perhaps, the most powerful and aggressive of the vested interests during the last two decades of the nineteenth century.

Before I went to the United States Senate in 1889, I had built and operated a railroad from Sioux Falls to Yankton, S. D. I also began to organize and build the Midland Pacific Railroad, from Sioux Falls, S. D., to Puget Sound. For several years I had engineers on the road locating the line through to Seattle, crossing the Rocky Mountains near the mouth of Yellowstone Lake. Consequently I was thoroughly familiar with the costs of railroad building and operation.

When I entered the Senate I was of the opinion that the highways of the United States should be owned and operated by the Government, for the benefit of the people of the United States—operated for service and not for profit. At the beginning of my term I knew very little of the general operation of the railroads by the great combinations which then controlled them, but a short time in the Senate clinched this conviction by showing me that the railroads were robbing the Government as well as the people of the United States.

For instance, I found that J. L. Bell, who was Second Assistant Postmaster-General, had been a railroad employee at a salary several times as great as that which he received as Second Assistant Post-

master-General, and that he had resigned his position with the railroads to become Assistant Postmaster-General, and in that capacity to direct the railroad mail service. Thus the railroads had taken charge of the Post Office Department just as they have taken charge of the courts and the Interstate Commerce Commission—by the simple expedient of putting their man in control. This railroad man commissioned in the public service to look after railroad interests invariably proceeded to exploit the public in the interests of the special interests for which he was working.

Nowhere did I see this principle more amply illustrated than in the case of railway mail pay. For carrying the mail, during the time I served in the Senate of the United States, the railroads received ten times as much per pound as the express companies paid for carrying express matter on the same train, and generally in the same car. In addition, when the railway mail-cars were established, the companies rented to the Government for $6,000 per year cars that cost less than $3,000, so that the annual rental was double the value of the car. To complete the work, the railroads and their attorneys in both houses of Congress franked great quantities of Government publications and shipped them through the mails, back and forth, all over the United States, during the thirty days of each year when the mail was being weighed for the purpose of determining the amount of compensation that the railroads were to receive. From an investigation of the matter in the early years of my service I know that this practice was continued during the twelve years that I was a member of the Senate, and that millions of pounds of Government documents were shipped back and forth every year under a frank of some member of Congress or member of the Senate, during the thirty days the mail was being weighed to determine the compensation of the railroads, and that J. Laurie Bell, Second Assistant Postmaster-General and his successors, em-

ployees of the railroads rather than of the Government, superintended the job.

This abuse was so open and so flagrant that I offered an amendment to the Post Office Appropriation Bill, reducing the compensation for carrying the mails twenty per cent, and an investigation verified the facts that I have stated; yet the committee would not report in favor of reducing the pay of the railroads one cent. Two-thirds of the Senate and House were lawyers—very many of them in the direct pay of the railroads on a salary, or a fee, and nothing whatever could be accomplished.

When the Senate investigated this question and brought the employees of the Second Assistant Postmaster-General before the Committee, they deceived the Committee in the interest of the railroads whom they were serving. I quote some of the evidence from the Congressional Record:

Mr. PETTIGREW: "I will read first from the report of the Postmaster-General under the head of 'Weighing the Mails,' from the report of 1896:

> " 'The Department takes every precaution at its command to insure honest weighing of the railroad mails. But this has not prevented one or two attempts on the part of the railroad officials to pad the mails during the weighing season.'

"What are the facts? The Seaboard Air Line procured 16 tons of public documents franked by some member of the House of Representatives or of the Senate. They can secure them without the connivance at all of the persons who frank them. They ship them back and forth to their station agents. They ship this franked matter during the weighing season to a station, and have their agents take out the packages from the bags, redirect them, and mail them again. So they kept these 16 tons of frankable matter going for thirty days. The Department determined to have

a reweighing. They had a reweighing for thirty days more, and then the railroad company secured an extra edition of a newspaper that weighed 5 tons; they shipped that back and forth along the line, and distributed it over the line during the thirty days, and when the Postmaster-General complained, they asked him what he was going to do about it. And Mr. McBee, the manager of the road, asked the Postmaster-General why the Seaboard Air Line had been singled out as a subject for criticism for stuffing the mails during the reweighing period, when it was well known that all railroads practiced the same fraud upon the Government. So it is the general practice. There is no doubt about it. Everybody knows it. We do not need to investigate the matter much to learn that fact. . . ."

There is a great profit in carrying the mail which pays 2 cents postage, and so the railroads have organized on their own hook a postal system which defrauds the Government out of hundreds of thousands, and I believe millions, of dollars a year because that branch of the service, the carrying of letters, is profitable.

The railroads did not stop with the exploitation of the Government—they were criminal in their treatment of the public. The railroads gave very low rates to their favorites, and very high rates to the rest of the people. They determined which men should prosper and do business and which men should be made bankrupt by their discriminations. They also determined, through their rates, which town should grow and which should languish. A prosperous town could be destroyed and its industries closed by giving to its rival town a railroad rate of one-half or less, and this was done constantly. The Interstate Commerce Commission was created for the purpose of correcting this and similar abuses. Eleven years after the law was passed creating the Commission, I find this statement in the annual report (1898):

"We are satisfied from investigations conducted during the past year and referred to in another portion of this report, as well as from information which is perfectly convincing to a moral intent, . . . that a large part of the business at the present time is transacted upon illegal rates. Indeed, so general has this rule become that in certain quarters the exaction of the published rate is the exception. From this, two things naturally and frequently result: First, gross discriminations between individuals and gross preference between localities; and these discriminations and preferences are almost always in favor of the strong, and against the weak. There is probably no one thing today which does so much to force out the small operator, and to build up those trusts and monopolies against which law and public alike beat in vain, as discrimination in freight rates. Second, the business of railroad transportation is carried on to a very large extent in conceded violations of law. Men who in every other respect are reputable citizens are guilty of acts which, if the statute law of the land were enforced, would subject them to fine or imprisonment."

Further on, the report of the Interstate Commerce Commission says: "Discriminations are always in favor of the strong and against the weak. This condition the law seems powerless to control." Thus the railroads were above the law. The United States judges, generally selected from the ranks of the corporation and railroad attorneys, go upon the bench to construe the law, which they do in the interest of their former employers.

A prominent oil refiner of Pennsylvania, writing under date of October 4, 1899, after setting forth his complaint against the railway discrimination in favor

of the Standard Oil Company, gives his experience as follows:

> "I manufacture 35,000 barrels of oil per month. Seventy per cent of that is marketed in Europe where the railroads are controlled by the governments. We have no difficulty in competing with the Standard Oil Company in those countries, because our tonnage is carried as cheap by the Government as that of the Standard Oil Company, although the Standard Oil Company ships one thousand times more to the interior of the several countries than I do. The reason that I am obliged to send 70 per cent of my oil across the Atlantic Ocean to be marketed is because I cannot transport it over the railroads of the United States at the same rates as the Standard Oil Company."

How much influence the railroads exerted in building up the trusts may be readily inferred from the following instance:

The Tin Plate Trust was endeavoring to make terms with an independent producer; he replied that he felt no desire to change his methods; his company was making money, doing well in fact, and were quite satisfied with their plant and its ownership. The promoter of the trust advised the president of the company that it would be better to sell out; but finding his offers of no avail to secure the property he proceeded to threats. "You are enjoying certain concessions in your freight rates," he said. "All your profits would cease if these freight rates were withdrawn; if you will not sell to us, we will see what we can do." In a few days the manager of the railway wrote the independent mill owner that the rates conceded the company would have to be withdrawn, because," etc. The mill-owner called a meeting of the stockholders and bondholders, ex-

plained the situation, and in two weeks the mill was turned over to the trust.

So much for the attitude of the railroads toward the Government and towards the people of the United States. Now, a word as to another phase of their activity—the financing.

The railroads of the United States when they were constructed were bonded for more than they actually cost, and then those who were manipulating them issued common and preferred stock for considerably more than the amount of the bonds. Thus both bonds and stocks are simply gambling chips which can be used to swindle the American public.

Railroad securities should be the most stable of all securities because the railroads are the highways of the nation, and their service is absolutely essential and reasonably uniform. Yet for many years these railroad securities have been the football of gamblers.

While I was in the Senate the price of the leading railroad stocks fluctuated from 30 to 300 per cent in a single year, and the price of the bonds from 5 to 100 per cent. At the same time, the bulk of the stocks paid no dividends, and large numbers of the bonds paid no interest. To show how largely fictitious these stocks and bonds were considered, I take the following table from the report of the Interstate Commerce Commission:

Per cent paid	Stocks	Per cent of total stock	Funded debt (exclusive of equipment trust obligations)	Per cent of total funded
Nothing paid..	$3,570,155,239	66.26	$ 852,402,622	15.82
From 1 to 2..	142,496,300	2.65	176,996,988	3.28
From 2 to 3..	118,096,361	2.19	162,789,940	3.02
From 3 to 4..	96,348,397	1.79	673,945,852	12.51
From 4 to 5..	385,381,689	7.15	1,766,290,104	32.77
From 5 to 6..	409,778,699	7.60	928,046,512	17.22
From 6 to 7..	198,603,262	3.69	562,732,833	10.44
From 7 to 8..	244,736,724	4.54	299,716,648	4.26
From 8 to 9..	127,852,050	2.37	27,762,600	.51
From 9 to 10..	6,698,055	.13	5,014,300	.09
10 and above..	88,121,545	1.63	4,236,300	.08
Total....	$5,388,268,321	100.	$5,389,934,599	100.

We see from this statement that three and one-half billion of the five and a half billion of railway stock paid no dividends, while nearly a billion of the bonds received no interest, and six hundred millions more of stock and bonds paid only a return between 1 and 3 per cent. These facts are only noted in order that the notion of the total value of railways may not be erroneously inferred from a merely nominal capitalization.

The situation is well summed up in the case of the Union & Central Pacific Railroads which were conceived in the womb of the Republican Party; were born into the world as the full-fledged children of corruption and iniquity, and which never for one day drew an honest breath. Ames and his associates (who were, like Ames, the most prominent bankers and business men of their day) organized the Credit Mobilier, came to Washington, and acted as midwives for the Congress of the United States while it gave birth to these twins.

Ames and his associates distributed the stock of the Credit Mobilier among the Senators and members of the House of Representatives, every Republican member with a particle of influence receiving a share, while almost all of the prominent Democratic leaders were taken care of in the same manner. Thereupon laws were passed by which the Government of the United States gave these two roads a land grant of half of all the land ten miles wide on each side of the track from Omaha to San Francisco, and in addition furnished a sum of money more than sufficient to build and equip the roads. In exchange for this grant of money, the Government received a second mortgage. The roads never paid any interest to the Government, and in 1896 when the second mortgage fell due the managers of the roads selected a reorganizing committee of professional exploiters to devise ways and means to swindle the Government out of its money,—principal and interest. This reorganization committee consisted of Marvin Hughitt,

President of the Chicago and North Western Railroad, Chauncey Depew, President of the New York Central, and Louis Fitzgerald, T. J. Coolidge and Oliver Ames, who represented the Goulds of New York and the Ames crowd of Boston.

I met this proposal of the reorganization committee by introducing a resolution directing the Secretary of the Treasury to proceed at once to foreclose the mortgage held by the Government on the Union Pacific and the Kansas Pacific companies; to pay off the prior liens and the floating indebtedness; to assume control of all the property of the two roads, including the Federal land grants; to take possession of the roads, and to pay the necessary costs by the sale of three per cent bonds.

I will let the Congressional Record tell the rest of this story:

Mr. PETTIGREW: "Mr. President, I wish to call the especial attention of the Committee on Pacific Railroads to this resolution, for I think it outlines a method by which to solve this much-discussed question in a businesslike manner, and in the only way it can be solved with credit to the Government. We have only the interests of the whole people to consider. There are no equities in this case in favor of the present stockholders of these roads, and I will show that the reorganization committee of the stockholders of the roads are entitled to no consideration whatever, as they represent the heartless and unscrupulous scamps that have been robbing the Government and the public for a generation, casting reproach upon our Government and our people that must make every honest citizen blush with shame.

"The stockholders and owners of the first mortgage bonds on the Union and Kansas Pacific Railroads have appointed a committee to reorganize the road and to settle with the Government for its second mortgage upon the property. This reorganization committee proposes to issue one hundred million of

fifty-year 4 per cent bonds on about 1,900 miles of road—that is, the road from Omaha to Ogden, which is the main line of the Union Pacific, and about 400 miles of road from Kansas City west, which is the Kansas Pacific Railroad. . . .

"This 1,900 miles of railroad can be reproduced for $23,600 per mile, and yet the Government of the United States is asked to go into partnership with a party of dishonest men, and bond and stock the road for $123,600 per mile, and the public whom this road serves is to be called upon to pay interest on this vast sum. . . .

"But they go further than this, and tell us how they will distribute this vast amount of stocks and bonds. They propose that the Government shall take $34,000,000 of the bonds, which is just equal to the principal of the Government's claim against the roads, and shall take $20,000,000 of the preferred stock in full payment for all the defaulting interest; that the first-mortgage bonds, which amount to $34,000,000, shall be taken up and a like number of these new bonds issued in their place; and for every $1,000 of bonds issued to the present holders of the first-mortgage bonds of these roads, $500 of preferred stock shall be issued as a bonus, the remainder of the stock and the remainder of the bonds to be the property undoubtedly of the conspirators in this stupendous transaction.

"Let us see who are the men who compose this reorganization committee of the Union and the Kansas Pacific railroads. This reorganization committee is composed of five members, Louis Fitzgerald, T. J. Coolidge and Oliver Ames being three out of the five members of the reorganization committee (who represent the old management of the road, the Goulds of New York and the Ameses of Boston), the other two being Marvin Hughitt and Chauncey Depew. While every one of the receivers who are now managing and operating the road is in the interest of this gang of highwaymen who have plundered the public

with this instrumentality in the past, three of the receivers, namely S. H. H. Clark, who was formerly manager and for years president of the road, has been and is the representative of the Gould interest; Mr. Mink, of Boston, was comptroller of the company and has been for years its vice-president, and is also an executor of the will of the late Fred L. Ames, and is of course the direct and immediate representative of the Boston crowd of highwaymen who, through the use of this highway—the Union and the Kansas Pacific Railroads—have robbed the public and the Government for the past thirty years. The third receiver, who has always acted with this interest, is E. Ellery Anderson, who has also been for several years a Government director, and was placed there for the purpose of protecting the Government's interests, but has never undertaken to protect the Government's interests, and has always acted in the interest of the old and dishonest management. The other two receivers of the road, Coudert and Doane, seem to have a leaning in the same direction, for they have been Government directors, and have never remonstrated against the frauds which have disgraced the management of these roads, and of which they must have had knowledge.

"If this reorganization plan is carried through with the assistance of the Government the road will have to earn 4 per cent of $100,000,000 of bonds and 5 per cent at least on $75,000,000 of preferred stock, and the people along the line of the road will be charged a rate sufficient to accomplish this result, even if no dividend whatever is paid upon the $60,000,000 of common stock. This interest charged, then, will amount to $7,750,000 a year, which would be an unjujstifiable burden upon the people who are served by the road. The only reasonable and proper thing for the Government of the United States to do is to take possession of the road, issue its own bonds bearing 3 per cent interest as provided by the resolution which I have offered, pay the first-mortgage

bonds of $34,000,000, refund to the Government of the United States the $53,000,000 now due to the Government from these companies, take up and pay the floating debt of these roads of $12,000,000, and thus get possession of the bonds and stocks which are held as collateral security for this floating debt, and thus acquire title to $98,000,000 par value of the branch lines' bonds and stock, the market value of which is at least $42,000,000 at the present time, thus taking possession of all the branch lines of these roads, amounting to 4,000 miles of track, and operate the whole as one great system.

"In this way the Government would realize every dollar these roads owe it. The interest charged would be only 3 per cent on $100,000,000 of bonds, or $3,000,000 per annum, instead of $7,750,000 under the plan proposed by the reorganization committee. The rates for carrying freight and passengers would therefore be much less. There would be no incentive for discrimination in favor of persons or places; every man and every town would have an equal opportunity, and the scandal of our Government connected with the Union Pacific management would disappear from the pages of our history."

Early in my term of service in the Senate, the railroads began to combine and to pool the freight and to agree upon rates. The combination of the railroads was in violation of the Anti-Trust Law, but the law had been framed to make it as easy as possible for the corporations to evade its provisions, and the railroads cared nothing about the Anti-Trust Law because their lawyers were in the executive offices and on the bench. When the Joint Traffic Association was organized in violation of the Sherman Anti-Trust Law, and suit was brought by the Government to dissolve it on that account, it was found that the Association was a combination of thirty-two of the leading roads in the United States to pool the business, agree upon the division of traffic, and have uniform rates, so far as the public was concerned; that

Hobart, Vice-President of the United States, was one of the arbitrators and drew a salary as such arbitrator for this Joint Traffic Association, and when the suit was brought before the United States Court in New York, Judge Lacombe announced from the bench that he was disqualified from sitting on the case because he owned the stocks and bonds of the defendant railroads, and he said: "I am of the opinion that there is no judge in this Circuit but that is suffering a like disqualification."

In 1874, the Senate of the United States, in response to a general demand, appointed a Special Committee on Transportation, composed of William Windom, of Minnesota; John Sherman, of Ohio; Roscoe Conkling, of New York; H. G. Davis, of West Virginia; T. M. Norwood, of Georgia; J. W. Johnson, of Virginia; John H. Mitchell, of Oregon, and S. B. Conover, of Florida. The committee occupied the entire summer of 1874 in making an exhaustive examination of the subject, and in their report we find the following:

> "In the matter of taxation, there are today four men representing the four great trunk lines between Chicago and New York, who possess, and who not infrequently exercise, powers which the Congress of the United States would not dare to exert. They may at any time, and for any reason satisfactory to themselves, by a single stroke of the pen, reduce the value of property in this country by hundreds of millions of dollars. An additional charge of five cents per bushel on the transportation of cereals would have been equivalent to a tax of forty-five millions of dollars. No congress would dare to exercise so vast a power upon a necessity of the most imperative nature, and yet these gentlemen exercise it whenever it suits their supreme will and pleasure, without explanation or

apology. With the rapid and inevitable progress of combination and consolidation, these colossal organizations are daily becoming stronger and more imperious. The day is not distant, if it has not already arrived, when it will be the duty of the statesman to inquire whether there is less danger in leaving the property and industrial interests of the people thus wholly at the mercy of a few men who recognize no responsibility and no principle of action but personal aggrandizement."

All of these facts convinced me that the only possible remedy was the Government ownership of the railroads. I therefore prepared and introduced a bill for this purpose (Senate Bill No. 1770) on the 15th day of December, 1899. This bill provided that the railroads should be operated under the Post Office Department, and operated for service and not for profit, and that the owners should receive United States bonds for the actual value of the property. At that time the roads would have cost the Government between four and five billions, although they were capitalized at from eight to nine billions, including the stocks and the bonds. I also included in this bill a provision that all rates should be absolutely uniform, alike for everybody in proportion to the service rendered; that passenger fares should not exceed one cent per mile, and I showed conclusively that passengers should be carried in this country at a profit at one cent per mile, provided no passes were granted. I knew the extent of the pass abuse. I knew that every politician and every lawyer of any prominence, and every judge, and every congressman, and everybody else that had any pull, rode upon a pass, and that the public was charged two prices for riding, in order to pay the railroads for carrying free those people who could best afford to pay their fare.

I also provided for a Commission of Transportation

in this law, under the Post Office Department, to operate the roads and to remove the control, as far as possible, from political influence. The bill also provided that the express business should be done by the Government, and I showed that the express business could be done at a cost to the public of less than one-half the price charged by the express companies if done by the Government through the Postoffice on Government railroads.

When I introduced the bill and had it printed, some of my friends came to me and said: "Well, what will your friend James J. Hill think of your introducing a bill for the government ownership of the railroads?" I said: "James J. Hill is a big man; he is one, out of the whole railroad system, that is not a stock gambler, and I sent him the first copy of the bill that was printed." Some months afterward, when I met Mr. Hill, the first thing he said was: "I received your Railroad Bill, and you are entirely right about it. If the railroads are going to combine—and" said he, "they are going to combine—the only way the public can be protected from robbery is to have the Government own the railroads."

Needless to say, my bill received scant consideration and little support from the champions of privilege who dominated the House and Senate, nor need I add that its introduction marked me as a man who should be eliminated from public life at the earliest possible moment. I am now of the opinion that the Government of the United States should take the railroads and cancel all the outstanding stocks and bonds without making any payment to the holders of the same. There are no innocent owners. The railroads are the highways of the nation and have been built and paid for more than once by the American people, but are now in the hands of a gang of gambling scoundrels who are using these highways to enrich themselves and their favorites and to rob and exploit the whole population. To take the roads without paying anything to these thieves is not confiscation

or robbery, but simply returning the stolen property to its rightful owners.

The Interstate Commerce Commission has just issued a report showing that, out of 627,930 stockholders in the various railroads of the United States, the majority of stock is owned by only 8,031 persons or 1.3 per cent of all the stockholders.

The Commission, through its Bureau of Statistics, has discovered that of a total of 97,475,776 shares of all the railroads, 50,873,322 shares are held by the small minority, an average of 6,130 shares each. The balance of 46,602,454 shares is owned by 649,629 stockholders, an average of 75 shares each. The 8,031 stockholders who own the majority stock include holding companies of railroads, as well as other corporations. It also includes the stock held by voting trustees and estates. The Interstate Commerce Commission's Report distributes these holdings as follows:

	Shares
Held by other railway companies.....	24,638,407
By other corporations or partnerships....	11,565,938
By voting trustees	5,307,043
By estates	1,333,961
By individuals (males)	9,945,205
By individuals (females)	1,082,868

The report shows that of 100,000 stockholders in the Pennsylvania Railroad, the largest twenty own 8.9 per cent of the total stock outstanding; that of the 27,000 stockholders in the New York Central, 25.1 per cent is held by the largest twenty stockholders. The largest twenty shareholders in the Illinois Central own 41.6 per cent; in the Southern Pacific 23 per cent; in the Southern Railway, 37.7 per cent; in the Chicago & Northwestern, 20.9 per cent; in the Great Northern 18.5 per cent; in the Northern Pacific, 19.8 per cent; in the Chicago, Milwaukee & St. Paul, 18.5 per cent; in the Lehigh Valley, 18.1 per cent; in the Baltimore & Ohio, 17.4

per cent; in the New York, New Haven & Hartford, 15.3 per cent; in the Erie, 19.7 per cent; in the Atchison, Topeka & Santa Fe, 14.3 per cent.

One hundred per cent of the stock of the Pennsylvania Company, which owns all the Pennsylvania Lines west of Pittsburgh and Erie, is owned by 17 shareholders, including the Pennsylvania Railroad Company, which is the holding concern. The entire stock of the Philadelphia & Reading, one of the principal coal roads, is owned by thirteen stockholders, including the Reading Company; and 99.5 per cent of the stock of the C. B. & Q. is owned by the twenty largest shareholders out of a total of 326 shareholders.

The largest blocks of stock of the Erie; Philadelphia & Reading; Wabash; Southern; Chicago, Milwaukee & St. Paul; Great Northern; Northern Pacific; Chicago, Rock Island & Pacific and Union Pacific are held by corporations or partnerships other than railways.

Of the Wabash stock, 46,000 shares are held in Amsterdam, Holland, and 36,000 shares by fourteen New York and one Boston concern. Of the Chicago, Milwaukee & St. Paul, 216,000 shares are held by eleven New York concerns; the bulk of the stock of the Virginia Railway is held by the Tidewater Company; the stock of the Bessemer & Lake Erie is owned by the United States Steel Corporation.

Virtually all the corporations that are among the largest shareholders of the various railroads do business with these railroads and obtain special advantages.

The earlier reports of the Interstate Commerce Commission show that the largest industrial monopolies of the country were favored by the railroads to the extent of hundreds of millions of dollars in rebates, drawbacks and differentials; and that the railroads were managed largely in the interest of these monopolies as against the interest of rival concerns and the public generally. This is particularly

true with reference to Standard Oil, as disclosed by reports of the Interstate Commerce Commission and by the testimony of witnesses before Congressional Investigation Committees.

The par value of railroad stocks is generally $100 a share, which means that the 97,475,776 shares of the railroads are estimated to be worth $9,747,577,-600. The total value of the bonds issued by the various railroads up to December 31, 1916, is estimated at $11,202,607,096.

It is obvious from this record that the control and ownership of the stocks of the railroads of the United States is concentrated in the hands of those who enjoy excessive private fortunes and there is no doubt that a similar or more acute state of concentration exists in all other monopolistic corporations.

It is quite evident, from the facts above adduced, that the Morgan and Rockefeller groups own the controlling interest in the railroads of the United States. The common people who own stocks and bonds in the roads are so few in number that they have neither voice nor power in the management.

THE "WIDOW AND ORPHAN" CRY IS AN OLD "WOLF" CRY OF THE BANKERS AND SPECULATORS WHO HAVE STOLEN THEIR CONTROL OF THE TRANSPORTATION SYSTEMS OF THE COUNTRY. IF THERE ARE ANY CONSIDERABLE NUMBER OF WORTHY WIDOWS OR ORPHANS OR "COMMON PEOPLE" HOLDING STOCKS IT WERE BETTER TO PENSION THESE PEOPLE FOR LIFE AND PROCEED TO TAKE OVER THE RAILROADS.

After many years of investigation devoted to this subject, I am convinced that the highways of the nation should be taken over by the Government and operated for the good of the people.

The Government of the United States took over and operated the roads for a little over two years during the war, at the request of the railroads, under terms

and conditions that were absolutely infamous, by which the government was plundered out of billions of dollars. But before the roads were turned over to the Government to operate, these scamps (who ought to occupy cells in our penitentiaries), and I mean by that the bankers of New York, the Federal Reserve Board, the managers and owners of the railroads, and the great industrial trust combinations, organized companies to take over the shops of all of the great railroads controlled by them. These companies were incorporated under the infamous laws of New York and New Jersey and all of the shops of the great railroads were conveyed to those companies, not only the repair shops, but the great factories where they manufacture equipment for the railroads of every kind and sort, so that after the Government began the operation of the roads they had to hire all of their repairs, and buy all of their equipment of these great combinations, and they paid from four to ten times as much as the service and material was worth that they bought of these inside corporations controlled by the biggest stockholders of the railroads.

They also organized terminal companies wherever the terminals were of great value, in all the great cities of the United States, and separated the terminals from the railroads, and then they charged as rent for the use of the terminals, a rental in many instances, as high as one hundred per cent per year on actual cost of the terminal. For these terminals were conveyed to these companies for the purpose of swindling the Government during its operation and to make it appear that the operation by the Government of the roads did not pay, and the enormous prices which these men compelled the Government to pay, not only for terminals and switching facilities, but for repairs and new equipment, accounts for the failure of the roads to be properly operated by the Government. But the roads were not really operated by the Government at all. Ostensibly they were. That was the talk, but the fact is that the

management remained in the hands of the old crowd.

I know very intimately the president of one of the great railroads. He was president during the entire time that the Government pretended to operate the roads, and he is still president of the road at a salary of fifty thousand dollars a year. The president of that road is the operating man, and he continued to operate the road just the same as he always had, while the Government had control, and he assured me that that was the case with practically all of the roads. They were simply using the camouflage of government ownership and operation to plunder the Government and the public generally, and he said to me, "We have no interest in making government control popular." But while it was an infamous transaction to turn the roads over to the Government, the crowning infamy was the Cummings bill, by which the railroads were taken back from the Government, to whom they had never been conveyed, and the Government guaranteed dividends on their stock and interest on their bonds.

THE REMEDY IS FOR THE GOVERNMENT OF THE UNITED STATES TO TAKE OVER ALL THE RAILROADS WITHOUT PAYING ONE CENT FOR THEIR STOCKS OR BONDS. The railroads have been paid for by the American people over and over again, and they are the property of the American people. They are the highways of the nation. They are in the hands of a small number of gambling bankers who use the stock and bonds as chips in the gambling game to swindle the public. There are no innocent purchasers of their stocks, and if any of the stocks are owned by widows and orphans, they are widows and orphans of a gambler, and if they are impoverished by the cancellation of these stocks and bonds and the taking over the railroads by the people of the United States, and are unable to work, I am perfectly willing that an asylum should be built to take care of them as long as they live.

VIII. LABOR

I have tried in the preceding chapters to describe some of the more important economic changes that have occurred in the United States during the past fifty years. All of them relate to business, to the rich, the powerful. The control of the banks; the right to issue money; the tariff-privileges enjoyed by the favored few; the organization of the trusts, and the manipulation of the railroads—these were the outstanding features of a system that gave property-holders first choice in all of the important economic relations of life.

A visitor to the United States, during these years, would have supposed that the workers did not count for much, one way or the other, but that the very heart and soul of existence consisted in putting more money into the hands of the rich. Indeed, this was the attitude taken by a majority of my colleagues in both houses of Congress.

The whole trend of legislation was toward the granting of privilege. The lawyers, who composed both houses of Congress, were representatives of the business interests. They never asked the question: "What does the public welfare demand?" Instead, their one thought was: "What do my clients want?" Therefore, their actions were always directed toward the protection of property and never toward the protection of the workers.

Perhaps I can best illustrate this point by reference to an experience which I had with a bill requiring the railroads to report accidents.

During the whole twelve years of my service in the Senate, only one bill, even remotely in the interests of labor, became a law. All of the others, and there were hundreds of them, were either reported from the committees adversely, or not reported at all. If

reported and passed through the house where they originated, they were always killed in the other body. If a bill originated in the Senate and passed the Senate, the committee in the House would never report it. If a bill passed the House and came to the Senate, the Senate committee would not report it; or, if the committee did make a report, it was done in such a manner that the bill was sure to receive no serious consideration. Although the American Federation of Labor always had its lobbyists at work, and there were other labor organizations that had their representatives urging the passage of legislation, the clever manipulation of bills by bodies of both houses offered a guarantee that nothing definite or effective would ever be accomplished.

Finally, during the last year of my service in the Senate, a bill passed the House requiring railroads to file with the Interstate Commerce Commission monthly reports of accidents—their causes and the names of the persons injured. The bill was referred to the Committee on Interstate Commerce.

Late in the session, the representative of the railroad men, who had been working for a year to have this bill passed, came to me and said he could not get the Senate Committee to report the bill. He asked me to take charge of it and see if I could not secure its passage. This was some time in January, 1901, and my term as a Senator expired on the 4th of March.

I asked him to describe in detail the steps that he had taken to secure its passage. He gave me the information, and concluded with the observation that, in his judgment, the Senate did not intend to pass the bill. I gathered that he came to me as a sort of forlorn last hope.

I finally told him that I would take charge of the bill, provided it was understood that I had full charge, and I promised him that I would make it exceedingly interesting for the Interstate Commerce Committee if it did not allow the bill to pass. I told him, further-

more, that it would be a hot fight in which some bitter enemies would be made for all who supported the bill. I further told him that my method would discourage him, but that, in my judgment, it was the only method that had even a remote chance of success. If I would have his full support under these circumstances, and without any interference, I was willing to take the bill. To this proposition he heartily agreed.

I then went before the Committee on Interstate Commerce at its next session and gave vigorous reasons why the bill should be reported.* The railroad attorneys on the committee—Wolcott of Colorado and others—protested that the reports of the railroads

* The bill was worded as follows: "An Act requiring common carriers engaged in interstate commerce to make full report of all accidents to the Interstate Commerce Commission.

"BE IT ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES OF AMERICA IN CONGRESS ASSEMBLED:

"It shall be the duty of the general manager, superintendent or other proper officer of common carrier engaged in interstate commerce by railroad to make to the Interstate Commerce Commission, at its office in Washington, District of Columbia, a monthly report, under oath, of all collisions of trains or where any train or part of a train accidentally leaves the track, and of accidents which may occur to its passengers or employes while in the service of such common carrier and actually on duty, which report shall state the nature and causes thereof, and the circumstances connected therewith.

"Sec. 2. That any common carrier failing to make such report within thirty days after the end of any month shall be deemed guilty of a misdemeanor and, upon conviction thereof by a court of competent jurisdiction, shall be punished by a fine or not more than one hundred dollars for each and every offense and for every day during which it shall fail to make such report after the time herein specified for making the same.

"Sec. 3. That neither said report nor any part thereof shall be admitted as evidence or used for any purpose against such railroad so making such report in any suit or action for damages growing out of any matter mentioned in said report.

"Sec. 4. That the Interstate Commerce Commission is authorized to prescribe for such common carriers a method and form for making the reports in the foregoing section provided.

"Approved March 3, 1901."

would be examined by *shyster lawyers* and used to begin suits for damage. I said: "That is not the reason why you oppose this bill. Your clients have ordered you to kill this bill because they, the railroads, are not obeying the law as to safety appliances. It costs money to stop killing, so they refuse to obey the law while they continue to kill. You know as well as I do that more people, both employees and passengers, are killed on American railroads than by all the other railroads in the world. An amendment to the bill will prevent the report being used against the roads in damage suits." The next day the Committee reported the bill with four or five amendments, any one of which would have made the law, if passed, practically inoperative. I called up the bill for passage. and showed to the Senate the meaning of the amendments offered, with the result that I had the first amendment rejected by the Senate after a long discussion and bitter struggle on the floor. Thereupon the chairman of the Committee arose in his seat and moved that the bill be recommitted to the Committee, which is a motion that is always agreed to and, therefore, the bill was recommitted to what the railroad lawyers supposed would be its graveyard.

At the next meeting the Committee on Interstate Commerce did not act upon the bill nor report it back to the Senate. I, therefore, introduced a resolution in the Senate to discharge the Committee from further consideration of the bill and place it immediately upon the calendar. This led to a filibuster debate which was intended to wear out the session. Whereupon the chairman of the Committee arose in his seat and said that if I would withdraw my motion he would call a meeting the next day and would report the bill. So the bill was reported from the Committee the next day with amendments which wholly destroyed its original purpose. I moved the immediate consideration of the bill and I stated in the Senate that I had been a member of that body for twelve years and that during the time no labor bill had passed both Houses

and become a law; that this sort of a record could not be justified or defended by the Congress of the United States, especially should Congress defeat the present measure. I also stated that the railroads wanted to defeat this bill because, while the Congress of the United States had enacted laws compelling the railroads to use certain safety appliances upon their trains, appliances which cost money—the railroads were not using these appliances, with the result that many accidents occurred which could be traced directly to the absence of these appliances. The bill was particularly obnoxious because its passage would make a public record of these facts. I succeeded, therefore, in defeating all of the amendments but the one which provided that the reports should not be used in court. Thereupon the chairman of the Committee moved to recommit the bill to the committee.

The next day I offered a resolution to discharge the Committee from further consideration of the measure and place it upon the calendar. The chairman of the Committee immediately arose in the Senate and said he would call an extra session for the next morning and would report the bill if I would withdraw my motion, which, of course, I did. The next day the bill was reported with the same amendment with regard to not using the reports against the railroads and with another amendment destroying the real intent of the bill. I defeated the pernicious amendment in the Senate and the railroad attorneys allowed the bill to pass with the amendment prohibiting the use of the reports against the railroads in any lawsuit.

The session was nearing a close and the opponents of the bill thought they could prevent it from going through the House of Representatives without amendments. The Speaker of the House was Henderson of Iowa, a one-legged soldier, veteran of the Civil War, an honest man—a rare quality in a Speaker of the House—whose sympathy was with the men who toil. The moment the bill passed the Senate, I went over

to the House, for I had advised with Henderson several times about the matter, and told him that I had got the railroad bill through with an amendment which would not affect the working of the law, but that if the amended bill was sent to the House Committee, there would be delay and the session would be over before action could be taken. I therefore asked Henderson to have the House concur in the amendment as soon as it came over, and have the bill immediately enrolled and returned to the Senate.

Henderson asked me who had charge of the bill on the floor of the House. I told him the name of the member and when that member arose and stated to the House that the Senate had passed House Bill 10,302, with an amendment, the Speaker immediately said: "The motion is upon agreeing to the amendment of the Senate to House Bill 10,302. All those in favor say 'Aye,' and all those opposed say 'No.' The ayes have it."

A day passed, and I heard nothing from the bill. I then went to the Clerk of the House, and he told me that he had the bill enrolled and had sent it over to the Senate. I, therefore, returned to the Senate, and, after waiting a day and finding that the bill did not come, I stated in the Senate that the bill had been lost.

(Congressional Record, Vol. 344, p. 3533, 56th Congress, 2d session, March 2, 1901.)

Mr. PETTIGREW: "I am informed that the Senate amendments were accepted by the House, and that the bill was enrolled and placed in the hands of the messenger to bring to the Senate, and on the way, or somewhere, it has been lost. In other words, there seems to be an effort to steal the bill."

Mr. LODGE: "In connection with what the Senator from South Dakota is saying, I desire to say that I have been engaged in trying to find that bill. My attention was called to the fact that it was lost. It

was announced to the Senate that the House had concurred in the amendments of the Senate."

Mr. PETTIGREW: "The bill was enrolled."

Mr. LODGE: "The bill was enrolled in the House, it was signed by the Speaker, according to the records of the House, Mr. Browning, and that is the last of it. Mr. Browning says he delivered it here. There is no record of it here at all. It cannot be found. I have been personally to the room of the Committee on Enrolled Bills and looked over the bunch of bills that was sent, and the bill is not there. I do not know what can be done, but the bill has disappeared between the two houses."

Mr. SPOONER: "Can it not be re-enrolled?"

Mr. LODGE: "The Speaker, I am told, on one occasion, when a bill had disappeared in that way, declined to sign the bill again. It has disappeared between the two houses."

Mr. SPOONER: "It cannot be, if a bill has been lost before it has been signed by the officer of the other house that Congress is powerless about it. Both houses have passed it."

Mr. LODGE: "Certainly they have."

Mr. SPOONER: "I do not see any reason why it cannot be re-enrolled."

Mr. PETTIGREW: "If the bill is lost, it is lost on purpose. There is no question about that. That might do for some half-civilized community, but for the Senate of the United States it is a pretty tough proposition."

After some discussion, the Senate passed a resolution which requested the House to have the bill re-enrolled, signed by the Speaker and sent over to the Senate.

There was nothing further for the Senate to do, so I resolved to take the matter into my own hands. I went over to the House of Representatives, taking with me Louis Kimball, a Civil War veteran, who had

been appointed, at my suggestion, messenger to one of the Senate Committees. On the way over to the House I told Kimball what had happened, and then explained my plan to him. I proposed to go to the Clerk of the House and ask him which of his assistants had enrolled the railroad bill. When he told me, I was to attract the attention of this assistant while Kimball went through his desk.

The plan worked like a charm. McConnel was Clerk of the House—a Republican from Pennsylvania, who could be relied upon by the agents of big business to render faithful service. I knew him well. When I reached his desk I asked which of the clerks had enrolled the railroad bill. He indicated the man, and started toward him.

"No," I interposed, "call him over here." I stood stock still till the clerk came.

While I engaged him in conversation about the bill, Kimball went through his desk and, in the back end of the top drawer of the desk, he found the bill, enrolled and ready to be transmitted to the Senate.

"McConnell," said I to the Chief Clerk, "you know what this means. If that bill is not over in the Senate by the time I arrive there, I will recite to the Senate the circumstances under which we discovered that bill."

Needless to say, the bill was in the Senate chamber before I got back. It was signed at once and sent to the President, who signed it on March 3, 1901, the day before my term as United States Senator expired.

On the day previous, Senator Lodge made the following explanation (March 2, 1901, p. 3537):

"Mr. President, I desire to say a word in regard to the lost bill with respect to which we passed a resolution not long ago. I am informed while the debate was in progress on the North Carolina Claim Bill that the bill had been found in a desk in the enrolling room of the House of Representatives. It seems to have slipped into the drawer of the desk. I

wish to say this in justice to the clerks and officers of the Senate. It never came here."

That is the story of the one labor measure that, to my knowledge, passed both houses of Congress and became a law during the twelve years that I was in the Senate. Every means, fair and foul, was employed to kill it, and it was rather by good luck than anything else that we found the bill and got it through in the closing hours of the Session.

Labor produces the world's wealth. The vast majority of the American people work for their living. Civilization is built upon labor, and labor is civilization. Yet the public life of the United States is so organized that the workers receive scant consideration, while every attention is paid to the owners of the property.

All our legislation has been aimed to increase the power and promote the interests of those who have, as against those who produce. The great question then that is presented to the laboring people of the United States is:

Shall the rights of man be superior to the rights of property?

Inasmuch as all property is created by labor, if the rights of man are safeguarded by legislation, no laws will be required to protect the rights of property in the hands of the men who produce it, but under our present system the laborer who produces the wealth has none of it. He is exploited out of it by the landlord, by the corporation which employs him, by the corporations which furnish him public utilities, by the insurance companies and trust companies which charge three times what it is worth to do the business, and by the general system of combinations of the parasites and idlers of society, who get away from the producers of wealth what their labor has created.

If forty laboring men were shipwrecked upon a distant island in the ocean, which was practically never frequented by ships of commerce, and there were

about one thousand acres of fertile land upon the island and only one spring of pure water, and one of their number should rush at once to the spring and the thousand acres of land and claim it as his property because he saw it first and insist that all the others should pay him a portion of their products before they would be permitted to raise food upon the land or to drink water from the spring, the other thirty-nine people would be justified in taking it away from him, and proceeding to exercise their natural rights, giving, of course, the greedy usurper the same right which they all possessed—that of going to work and earning, with the rest of them, his own living.

Of course, the exploiters of labor are always talking about the dignity of labor and extolling the laborers, and the Labor Day orators—men who have never done a day's work in their life or produced a dollar's worth of wealth of the country—will speak of the laborers in the highest terms.

Why then should not the producers of wealth organize and take possession of the Government and run it in the interests of the workers rather than to have it run in the interest of the idle few, as at present?

It seems to me that it is about time we abandoned the barbarous doctrine of "the devil take the hindmost," and that, instead of universal selfishness and competition, we could found a civilization based upon the rights of man in the interest of the general welfare for all the people. Such a step would raise the mental, physical, and moral standard of the population, and would be the beginning of a new stage of civilization. This work must be done by the laboring classes. It will never be done by the beneficiaries of a special privilege economic system now existing in the United States.

IX. PLUTOCRACY.

Bit by bit the evidence accumulated under my eyes until it constituted a mountain of irrefutable proof —the public domain seized and exploited by the interests and for their private profit; the concentration of power in the hands of the bankers; their manipulation of money for their own benefit; the tariff, used as a favor granted by Congress for the few to plunder the many; the wanton and reckless creation of trusts and aggregations of capital; the vast strength of the railroads and other public utility monopolies; the ferocious indifference of these interests to the public welfare and to the well being of the masses of the people—as I surveyed this evidence I could form only one possible conclusion—that the power over American public life, whether economic, social or political, rested in the hands of the rich.

It is said that in the past, in the days of the Roman Empire, when a wealthy Roman wished to build a villa he purchased the right to tax and govern a conquered province in Asia, and returned to Rome to enjoy his fortune. But when an American millionaire wishes to build a villa, or buy a title in Europe, he purchases a tariff privilege from the Congress of the United States, or corrupts a legislature or a city council and secures a franchise, and proceeds to rob his neighbors.

I am of the opinion that the Roman way was the best.

Plutocracy is a word that means rule by and for the rich. The United States is a country run by and for the rich. Therefore, it is a plutocracy.

The rich few own the United States. The rich few who own it direct its public policy. For years these facts have been apparent to the discerning. Today even the short-sighted may see them quite plainly.

Read the following letter which Lincoln wrote to William P. Elkin on November 21, 1864:

> "I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. As a result of war, corporations have been enthroned, and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all the wealth is aggregated in a few hands and the republic is destroyed. I feel, at this moment, more anxiety for the safety of my country than ever before, even in the midst of war. God grant that my suspicions may prove groundless."

It has been well said by the famous English writer and philanthropist, Mr. Stead, that the modern business world has adopted a new Golden Rule as follow:

"Dollars and dimes, dollars and dimes;
To be without money is the worst of crimes.
To keep all you get, and get all you can,
Is the first and the last and the whole duty of man."

That this Golden Rule has been adopted by the so-called business men of the United States is evidenced by what has been accomplished in the distribution of the wealth produced by the great toiling masses of this country.

Recently it was announced that John D. Rockefeller had finally succeeded in accumulating one billion dollars, thus making him the richest man that ever lived.

The American people know how he succeeded in accumulating this vast sum. He produced none of it —he secured all of it by exploiting the American people who had produced it.

The most thrifty of the American people do well if they succeed in saving $300 a year above all their expenses, and they must be busy every day in the year in order to do that. To accumulate one billion dollars at the rate of $300 a year—a dollar a day for three hundred working days—a man would have to live and labor 3,333,333 years. He would have to be older than Methuselah—he would have to start when the world was hot no matter where he ended up.

But if he was cunning, unscrupulous and religious and followed Rockefeller's method of robbing his fellow-men, he could get the billion-dollar prize in fifty years.

One billion dollars is equivalent to the earnings of one hundred thousand men for twenty years, providing they earned $500 apiece each year, and during all that time leaving nothing out for sickness, death or accident. The fact that Rockefeller could appropriate the earnings of his fellow-men and the fact that he did do it is what has caused the social and economic protest against the existing system and the cry for justice.

This great and powerful force—the accumulated wealth of the United States—has taken over all the functions of Government, Congress, the issue of money, and banking and the army and navy in order to have a band of mercenaries to do their bidding and protect their stolen property.

Immediately after the announcement that Rockefeller was worth a billion dollars, Armour & Swift announced a dividend upon their capital stock of thirty-three and one-third per cent and each of these concerns increased their capital stock from twenty millions to one hundred millions.

It is safe to say that neither of these concerns had any capital stock for which they had paid a dollar. Their capital stock represented what they had stolen from the people of this country. Their working capital is represented by bonds. The eighty-millions of

stock which they have since added is also nothing but water and is issued so as to make the annual dividends appear smaller. The exploited people will object less to paying six or seven per cent on a hundred millions than to paying thirty-three and one-third per cent on twenty millions. It looks better in print.

How do Armour and Swift make their money? They are the great packers. They are in collusion. They fix the prices they pay the farmer for his hogs and cattle, and they fix the prices they will charge the consumer for their product. They are simply robbing the producer and the consumer, and their robbery is represented in their great wealth, which they did not produce but which they took from the people under the guise of law.

When the bill to take the census of 1890 was pending before Congress I secured an amendment requiring the enumerators to ascertain the distribution of wealth through an inquiry into farms, homes and mortages.

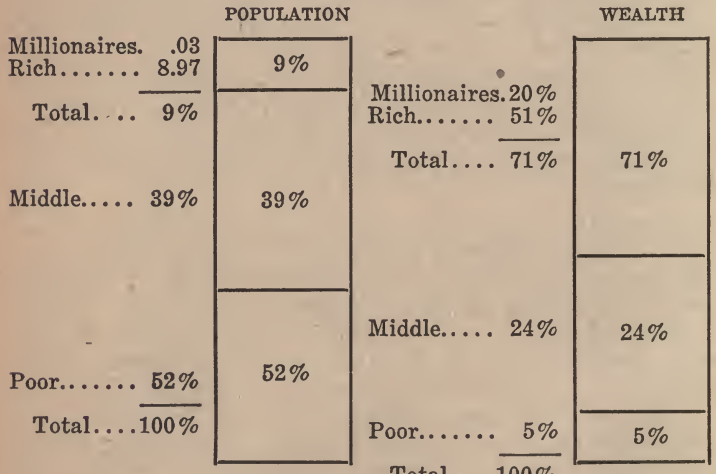
Using the figures thus secured by the enumerators of the census of 1890, on June 10, 1918, I delivered a speech in the Senate of the United States on the subject of the distribution of wealth in the United States and, from the census of 1890, I showed that 52 per cent of the people of the United States owned $95.00 worth of property per capita, or $95.00 each of second-hand clothing and second-hand furniture, and that four thousand families owned twelve billions of the wealth, and that 6,640,000 familes, or 52 per cent of the population, owned three billions of the wealth, or just five per cent of the total.

The facts, as ascertained by the census-takers in 1890, appear, summarized, in the following table:

Distribution of Wealth by Census 1890

Class	Families	Per Cent	Average Wealth	Aggregate Wealth	Per Cent
Millionaires ...	4,000	.03	$3,000,000	$12,000,000,000	20
Rich	1,139,000	8.97	27,000	30,600,000,000	51
Total Rich ...	1,143,000	9.00	37,358	42,600,000,000	71
Middle	4,953,000	39.00	2,907	14,400,000,000	24
Poor	6,604,000	52.00	454	3,000,000,000	5
Grand Total..	12,700,000	100.00	$ 4,725	$60,000,000,000	100

Diagrams Showing, by Percentages, the Population and Wealth Distribution in the United States, According to the Census of 1890



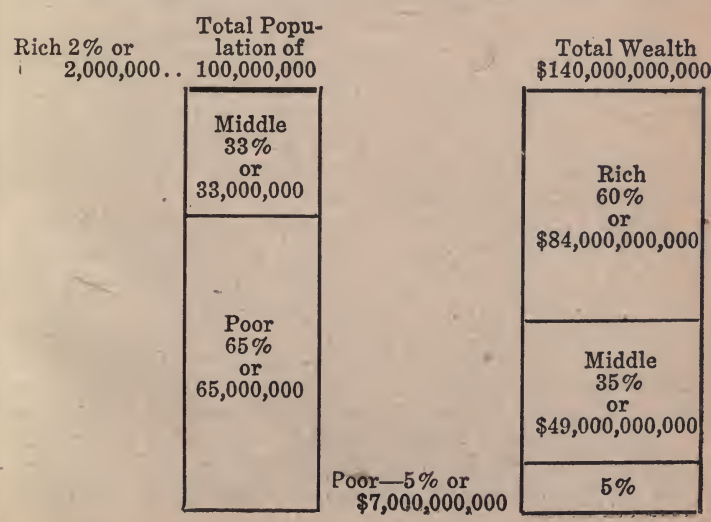
It will be seen from these tables, which are compiled from the census report of 1890, that 52 per cent of the people, or two per cent more than half of them, owned but five per cent of the accumulated wealth of the United States. The report of the Industrial Commission which thoroughly investigated the distribution of wealth in the United States dis-

closes the fact that, after twenty-six years, covering half of the period in which Rockefeller and Armour and Swift and the other exploiters of the people have accumulated their vast fortunes, the number of people who participated in the five per cent of the wealth of the United States has increased from 52 per cent of our total population to 65 per cent.

I have prepared a diagram illustrating the conclusions reached by the experts of the Industrial Commission, which pictures the stupendous inequalities that have arisen in the United States during the past twenty-six years:

Distribution of Wealth, Report of Industrial Commission, 1915

Class	Number	Per Cent	Average Wealth	Aggregate Wealth	Per Cent
Rich	2,000,000	2%	$42,000	$ 84,000,000,000	60%
Middle	33,000,000	33%	1,480	49,000,000,000	35%
Poor	65,000,000	65%	107	7,000,000,000	5%
Grand Total..	100,000,000	100%	$ 1,400	$140,000,000,000	100%



I wish a careful examination of these tables. You will see that sixty-five per cent of the people own five per cent of the wealth and that two per cent of the population—the little black line at the top of the diagram—own sixty per cent of the wealth. They did not produce the wealth. It was all produced by the sixty-five per cent of the population who have nothing. They were able to do it because they owned the Government and the courts and enacted the laws which made it possible. They have done it through manipulation, combination and exploitation. They have done it through corporations. They have done it because they own the railroads and the banks and all the public utilities, and used them all—all of these great important public service institutions in order to gather the products of everybody's toil into their own hands. In other words, they have stolen what others have produced.

These were the figures for 1916. Since that time there have come the war and the panic, with their huge crop of millionaires and their further concentration of wealth and of economic power.

But, you may ask, why is it necessary to turn to the figures of the Industrial Commission? Why not use the census figures? The answer is very simple. Since the publication of the 1890 figures, the plutocrats have decided that the facts regarding wealth distribution shall not be permitted to get into the hands of the American people.

When I entered the Senate I believed that the question of the distribution of wealth was one of the most important ones before the American people and one that was receiving no attention whatever. While I was in the House I had made the personal acquaintance of Senator Jones of Arkansas, who was on the Committee on Indian Affairs in the Senate, and Senator Berry of Arkansas, who was on the Committee on Public Lands in the Senate. So that, before the Senate convened in December, 1889—when I took my seat in the Senate, I had talked with these two Sen-

ators about securing legislation to ascertain the distribution of wealth in the United States. They had entered heartily into the plan and we prepared a bill for that purpose,* which was introduced by Senator Berry as an amendment to the Census Bill of 1890. The bill attracted little attention and was passed practically without opposition, but I had great difficulty in getting the persons in charge of taking the census to go thoroughly into the question. Finally, under the head of "Farms, Homes and Mortgages," an investigation was made by Holmes and a report was issued, I think, about 1898. This report showed a remarkable economic condition in this country and disclosed the fact that 52 per cent of our population had five per cent of the wealth they had produced, and that nine per cent of our population had a majority of all the property in this country. I made a speech in the Senate upon this subject, going quite fully into the question, and in that speech I predicted that the number of people who had nothing would steadily increase under our system, and that the number of people who owned a majority of the wealth would steadily decrease.

I considered the question so important that I secured a place on the Senate Census Committee to prepare the bill for taking the census of 1900. In the committee I urged an amendment to the bill for taking the census which should go fully into the question of the distribution of wealth in this country, but the committee refused to adopt my amendment or to take any notice of the question whatever. Incidentally, the committee was composed of lawyers and a lawyer is trained to believe that it is the right of property in the hands of men who did not produce the property that is sacred, and not the rights of man. Or that

* The bill was worded as follows:

"That a census of the population, wealth and industry of the United States shall be taken as of the date of June 1, 1890. Statutes of the U. S., p. 761, March 1, 1899."

society has any obligation whatever to those who toil. We borrowed this from England and it is so thoroughly inculcated into our whole system of educational and economic life that there is no question but that the lawyers honestly believe it to be true. After the Census Bill was reported to the Senate I offered my amendment under these circumstances:

(Congressional Record, 56th Congress, 1st Session, Jan. 11, 1900, vol. 331, p. 779.)

Mr. PETTIGREW: "I offer an amendment, which I send to the desk."

THE PRESIDENT PRO TEMPORE: "The amendment of the Senator from South Dakota will be stated."

THE SECRETARY: "It is proposed to add, as section 3, the following:

> "Sec. 3. That the Director of the Census is hereby required to collect statistics relating to the indebtedness of individuals and corporations, public or private; also in relation to the distribution of wealth among the people of the United States; also statistics as to the displacement of labor by machinery, and the increase of the power of production by machinery in proportion to the number of laborers employed during the last thirty years. And for this purpose the Director of the Census may employ special agents, and such special agents shall receive such compensation as other special agents."

Mr. PETTIGREW: "Mr. President, this amendment is intended to secure statistics with regard to the distribution of wealth. It does not require the enumerators to gather the statistics on this subject, and therefore will not delay the purpose of the law which we have passed.

"We make the Census Bureau, as I understand, a perpetual bureau of statistics and information, and to fail to gather the information referred to in my amendment, it seems to me, would be a very serious mistake. The question as to what becomes of what the toilers of the land produce, whether it goes to them or is taken from them by special privileges, and accumulated in the hands of a very few people is a very important one and reaches ultimately the question of the preservation of free institutions.

"The other subject in my amendment is with regard to the displacement of labor by machinery and the increased power of production thereby. I desire this information for the reason that I believe man's power to produce, as the result of the adoption of machinery, has increased many times more than the increase of his wages, which should have occurred as a result of his increased powers of production; in other words, that the increased power of production is the result of machinery and has inured to the advantage of capital many times more than to the advantage of labor; that this has caused in a large degree the unequal distribution of wealth in this country; that the increased power of production, as the result of machinery, should go to the toiler in a much larger degree than to the capital employed; that the power to produce by machinery is a benefit to mankind if the increased power to produce goes to the toiler, because his power to consume is also increased, and thus the consumption and enjoyment of a greater measure of the luxuries and comforts of life must go to those who produce the wealth of the land.

"I therefore believe these two questions are exceedingly important; and I have asked that this information be collected by special agents rather than by the enumerators, so that it will not delay a single day or a single hour the securing of that information which seems to be the prime object of the bill.

"I hope the additional section I have offered will be adopted without objection."

(Jan. 11, 1900.)

Mr. TILLMAN: "I will say for the information of the Senator from Georgia that if it is not taken with the first census it cannot be taken at all, without an intolerable additional expense. It is for the Senate to determine whether it will enlarge the scope of the census. If we break down the barrier erected by the Census Committee, we simply, as we were notified by the Senator from Missouri (Mr. Cockrell) the other day, open up a flood of amendments concerning each special class of inquiry any senator may wish to have included."

Mr. PETTIGREW: "My amendment provides for nothing of the kind. It simply provides that this Census Bureau of statistics, which is perpetual, may, by special agents, not by enumerators, investigate this all-important subject. I think the census would be of very little value without it. It is not personal to myself, nor a subject that I am particularly or personally interested in, but it is a great public question. The question of the distribution of the wealth of this country is certainly a question of more importance than almost anything else that can be investigated. As the Senator from Colorado (Mr. Teller) has said, we have almost day by day a very accurate estimate of the population. We have very many other statistics which are constantly being produced by the statistical bureau, but the question of the distribution of the wealth of this country has never been adequately and fairly investigated. It ought to be.

"I do not propose to delay the taking of the census, and my amendment does not delay it at all. It simply provides an additional section for the doing of this additional work. If the schedules are all prepared and the work is disposed of, the enumerators can commence their operations; and therefore the Department will have the time to get out additional schedules for the special agents to do the work which I desire to have done. This work cannot commence

until an appropriation is made. It is quite proper, then, that the amendment should be on this bill, because section 8 is in the original law, which provides a large amount of extra work to be done after the main census has been taken through the enumerators; and if it was a proper time to provide section 8 in the law when it passed last year, it is time now for my amendment to be placed on this bill. That is all I want. I do not care to discuss it further."

The reasons in favor of taking a wealth census seemed to me conclusive. Nevertheless, the amendment met with universal opposition, and it was rejected.

When the census bill was pending to take the census of 1910, I wrote to Senator LaFollette and urged him to secure an amendment with relation to the distribution of wealth in this country, but LaFollette is a lawyer and he did nothing. I also sent him a statement of the facts in connection with the matter and a copy of my speech delivered in 1898 on this subject, but I was unable to accomplish anything, as the Senate was still composed almost entirely of lawyers who had represented as attorneys, before they entered the Senate and who still continued to represent as attorneys after they entered the Senate, the great industrial, financial, transportation and exploiting interests.

While the census bill to provide for the census of 1920 was under consideration in both Houses, I went to Washington and personally went to the committee of both Houses and urged the importance of securing statistics with regard to the distribution of wealth in this country, but neither committee would entertain my proposed amendment or listen with patience to any argument.

In reply to my analysis of the situation, the members of the committees insisted that it was not true. "Why," said they, "look about you and see the prosperity everywhere. How can you say then that the wealth of the country is in the hands of the rich?"

"Well," I answered, "if it is not true, and if the Census of 1890, the Industrial Commission, and all of the rest of the authorities are wrong, the thing to do is to take another wealth census and disprove all of their false statements." Still, I could make no impression on the lawyers who made up both committees.

The Committees of Congress, having the censuses of 1910 and 1920 in charge, refused to include in the census bills a clause requiring the enumerators to ascertain the distribution of wealth, because they, as representatives of the plutocracy, did not desire the facts to be known. The bulk of the American people have little or no wealth; the economic power of the United States is concentrated in the hands of the few, and the few are determined to keep the many in ignorance as long as they possibly can.

I have gone into some detail with regard to this matter of the wealth census, not so much because of its intrinsic importance, but because of its relation to other and similar issues. Again and again, on other questions, the same men who refused to gather the evidence of wealth concentration have introduced and voted for the measures which were drawn up by the attorneys of the vested interests for the purpose of increasing wealth concentration.

The economic power of the United States has been concentrated in the hands of a very few, and they are the Government. They pass the laws that in their judgment will protect and defend the property upon which their power depends; they secure the appointment of judges who will interpret and who do interpret this legislation in the interest of the wealth-owning classes; control those who execute the laws, from the presidents down—indeed, for the most part, the presidents are lawyers, and either members of the plutocracy, or else paid retainers of the plutocracy; they control all of the channels of public opinion—the press, the schools, the church; they control the labor unions through the control of their leaders and of the policy that the leaders pursue;

possessors of the land on which the farmer must work, of the mines and the machines with which the laborer must work, in order to live, the plutocracy—the wealth class—in the United States is supreme over the affairs of public life.

Today this economic power is not ashamed to show its head and take its place as the master of the American Government and as the overlord of the American people. They used to talk about the Invisible Government when I entered the Senate in 1890, but it is invisible no longer. The real government is not in Washington. Its attorneys are there, but its responsible directors are in New York and in the other great centers of commerce and industry. Wealth means power in an industrial civilization, and the few, owning the bulk of the wealth of the United States, exercise their plutocratic power over the lives of the American people, who are forced, whether they will or no, to do the bidding of their wealth lords. And therefore I say—Capital is stolen labor and its only function is to steal more labor.

You ask me what is the remedy. The remedy is clear and plain—the same remedy you apply when a man breaks into your strongbox and takes your money. You capture him and take the stolen property away from him. It is the duty of the 65 per cent of our population who produced all the wealth to reach over and take back the 60 per cent of the wealth which the two million thieves have stolen from them, and appropriate it to the good of all, as all produced it and therefore the mass of the people are entitled to it.

Take over the railroads, take over the banks and the issue of money and the public-utility concerns, and take over the title of the lands that have no value except the value the community has given it, and then use all of this property for the general welfare of the community. This is not confiscation or robbery—it is simply taking from the thieves what they have stolen from you, and the first thing to take is to take control of the government out of their hands.

XIII. THE UNITED STATES SUPREME COURT.

THE FIRST ACT OF JUDICIAL USURPATION.

Chief Justice Marshall, who was an Englishman, in the case of Marbury vs. Madison, usurped the power to interpret the Constitution and to instruct another co-equal and co-sovereign department of the Government as to its powers and duties.

Jefferson denounced that decision as a bald usurpation and a glaring unconstitutional encroachment on the powers and duties of another independent department of the Government. He lamented the failure of the House of Representatives to bring the Court to trial under impeachment proceedings. In a letter to Judge Spencer Roane, under date of September 6, 1819, he said:

> "In denying the right they usurp of exclusively explaining the Constitution, I go further than you do, if I understand rightly your quotation, from the Federalist, of an opinion that the 'judiciary is the last resort in relation to the *other departments* of the Government, but not in relation to the rights of the parties to the compact under which the judiciary is derived.' If this opinion be sound, then indeed is our Constitution a complete *felo de se*. For intending to establish three departments, co-ordinate and independent, that they might check and balance one another, it has given, according to this opinion, to one of them alone, the right to prescribe rules for the government of the others, and to that one too which is unelected by, and independent of the nation. For ex-

perience has already shown that the impeachment it has provided is not even a scarecrow. . . . The Constitution, on this hypothesis, *is a mere thing of wax in the* hands of the judiciary, *which they may twist and shape into any form they please.* It should be remembered, as an axiom of eternal truth in politics, that whatever power in any government is independent is absolute also; in theory only, at first, while the spirit of the people is up, but in practice, as fast as that relaxes. *Independence* can be trusted nowhere but with the people in mass. *They are inherently independent of all but moral law.* My construction of the Constitution is very different from that you quote. It is that each department is truly independent of the others, and has an equal right to decide for itself what is the meaning of the Constitution in the cases submitted to its action; and especially where it is to act ultimately and without appeal."

In a letter to Judge William Johnson, under date of June 12, 1823, commenting on the same decision, he said:

"But the Chief Justice says, "there must be an ultimate arbiter somewhere.' True, there must; but does that prove it is either party? The ultimate arbiter is the people of the Union, assembled by their deputies in convention, at the call of Congress, or of two-thirds of the States. Let them decide to which they mean to give an authority claimed by two of their organs. And it has been the peculiar wisdom and felicity of our Constitution to have provided this peaceable appeal, where that of other nations is at once to force."

In a letter to William Charles Jarvis, under date of September 28, 1820, reviewing a book which attempted to defend this court usurpation of power, he said:

> "You seem, in pages 84 to 148, to consider the judges as the ultimate arbiter of all constitutional questions—a very dangerous doctrine indeed and one which would place us under the despotism of an oligarchy. Our judges are as honest as other men and not more so. They have, with others, the same passion for party, for power and the privilege of their corps. Their maxim is *boni judicis est ampliare jurisdictionem,'* and their power is the more dangerous as they are not responsible, as the other functionaries are, to the effective control. The Constitution has created no such single tribunal, knowing that to whatever hands confided, with the corruptions of time and party, its members would become despots. It has more wisely made all the departments co-equal and co-sovereign with themselves."

No one ever has or ever can question the truth of this statement that "the Constitution has erected no such single tribunal" to supervise and to veto the acts of the other two "co-equal and co-sovereign departments of our government; therefore Congress inertly surrendered its co-equal and co-sovereign powers when it failed to impeach the Judicial Department of the Government for this contemptuous usurpation of powers, over which the people reserved to themselves elective control.

Further on in the same letter, Jefferson says:

> "The Constitution, in keeping three departments distinct and independent, restrains the authority of the judges to judiciary organs, as it does the executive and legis-

lative to executive and legislative organs. The judges certainly have more frequent occasions to act on constitutional questions, because the laws of *meum* and *tuum* and of criminal action, forming the great mass of the system of law, constitute their particular department. When the legislative or executive functionaries act unconstitutionally, they are responsible to the people in their elective capacity. The exemption of the judges from that is quite dangerous enough. I know no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise THEIR CONTROL WITH A WHOLESOME DISCRETION, THE REMEDY IS NOT TO TAKE IT FROM THEM, BUT TO INFORM THEIR DISCRETION BY EDUCATION. THIS IS THE TRUE CORRECTIVE OF ABUSES OF CONSTITUTIONAL POWER. PARDON ME, SIR, FOR THIS DIFFERENCE OF OPINION. MY PERSONAL INTEREST IN SUCH QUESTIONS IS ENTIRELY EXTINCT, BUT NOT MY WISHES FOR THE LONGEST POSSIBLE CONTINUANCE OF OUR GOVERNMENT ON ITS PURE PRINCIPLES: IF THE THREE POWERS MAINTAIN THEIR MUTUAL INDEPENDENCE ON EACH OTHER IT MAY LAST LONG, BUT NOT SO IF EITHER CAN ASSUME THE AUTHORITIES OF THE OTHER."

I have already shown that the Constitution confers no power on the Judiciary Department of the Government to question the legality of an Act of Congress, and that every time the conferring of such dangerous powers on that department was proposed in the convention it was voted down. I have also

shown that the states would not, even then, accept the Constitution until the ten amendments were formulated and satisfactory assurances were made that they would be at once submitted for adoption; and also that these amendments, after including the great Bill of Rights, concluded with the most important Tenth Amendment, which affirmatively and positively reserved to the people and to the states all powers and rights not expressly granted to the Federal Government, and which expressly inhibits the taking away of or the adding of any powers by construction or by implication. On these clear and concise reasons, Jefferson correctly asserts that the power to determine the constitutionality of a law is reserved to the people. They, and they alone, have the power to pass on the legality of any law of Congress, and they can use that power at any and every election.

This is the plain truth of the whole matter.

In another letter, under date of December 25, 1820, to Thomas Richie, commenting on a book by Colonel Taylor, which vigorously criticized the extravagance of the Government and the greatly increased appropriations and taxes called for by the Treasury Department, Jefferson said:

> "If there be anything amiss, therefore, in the present state of our affairs, as the formidable deficit lately unfolded to us indicates, I ascribe it to the inattention of Congress to their duties, to their unwise dissipation and waste of the public contributions. They seemed, some little while ago, to be at a loss for objects whereon to throw away the supposed fathomless funds of the Treasury. . . . The deficit produced, and a heavy tax to supply it, will, I trust, bring both to their sober senses.
>
> "But it is not from this branch of government we have most to fear. Taxes and short

elections will keep them right. The Judiciary of the United States is the subtle corps of sappers and miners constantly working underground to undermine the foundations of our confederated fabric. They are construing our Constitution from a co-ordination of a general and special government to a general and supreme one alone. This will lay all things at their feet, and they are too well versed in English law to forget the maxim, *boni judicis est ampliare jurisdictionem.* We shall see if they are bold enough to take the daring stride their five lawyers have lately taken. If they do, then, with the editor of our book, in his address to the public, I will say that 'against this every man should raise his voice,' and more, *should uplift his arm.* . . . That pen should go on, lay bare these wounds of our Constitution, expose the decisions *seriatim,* and arouse, as it is able, the attention of the nation to these bold speculators on its patience. Having found, from experience, that impeachment is an impracticable thing, a mere scarecrow, they consider themselves secure for life; they skulk from responsibility to public opinion, the only remaining hold on them, under a practice first introduced into England by Lord Mansfield. An opinion is huddled up in conclave, perhaps by a majority of one, delivered as if unanimous, and with the silent acquiescence of lax or timid associates, by a crafty Chief Judge who sophisticates the law to his mind by the turn of his own reasoning. A judiciary law was once reported by the Attorney General to Congress, requiring each judge to deliver his opinion *seriatim* and openly, and then to give it in writing to the clerk to be entered in the record. A judiciary independent of a king

> or executive alone is a good thing; but independence of the will of the nation is a solecism, at least in a republican government."

Such criticism of this startling usurpation by the Judiciary Department and talk of the impeachment of the judges were effective to prevent the court from again usurping the power to declare an Act of Congress void for over fifty years.

THE SECOND ACT OF USURPATION.

It was not long, however, before this same court overstepped its defined powers and, in defiance of every principle of law, equity and morals, rendered the notorious Dartmouth College decision, in which it was held that property interests, past, present and future, had vested rights, under a special privilege granted in a private charter, which it was impossible for the people, through legislation, to change, no matter how injurious to the public interests the terms of the charter might be. It has been claimed, in excuse for the Court, that it was hypnotized by the overpowering but false reasoning of Daniel Webster; but, let that be as it may, it is gratifying that such an unsound doctrine, based on such a decision, has been repudiated by nearly every state in the Union, and by nearly every civilized country in the world.

A BALD DEFIANCE OF CONGRESS BY THE JUDICIARY.

In 1857 Judge Taney, for a majority of the court, held an Act of Congress in the Missouri Compromise case unconstitutional. There was, however, no indignation or threat of impeachment of the court for this bold usurpation, so ever since the Supreme Court has made a plaything of the acts of Congress as often as it has pleased them so to do. This is what Jefferson said they would soon become bold enough to do if they were not called to account for usurpation

of power. It was against the first usurpation by the court that Jefferson said: "I will say that against this every man should raise his voice, and more, should uplift his arm."

THE SUPREME COURT DESTROYS THE TENTH AMENDMENT.

The pitiable surrender by Congress to its "co-equal and co-sovereign powers" has emboldened the Supreme Court not only to continue to declare Acts of Congress unconstitutional, but also to go further and wipe out completely the Tenth Amendment to the Constitution. This has been done not only to give to the Federal Government powers never granted by the people or by the states, but also to take from the Federal Government powers clearly granted, when necessary to do so in order to confer special privileges on big property interests. A striking example is the famous, or rather infamous, income tax decisions. In the case of Pollock vs. Farmers Loan & Trust Company, the Supreme Court, after one of its judges, Shiras, had changed his opinion overnight, decided, by a majority of one, that the constitutional power to levy a fair and just tax on incomes, which Congress has exercised for a hundred years, was unconstitutional. This startling decision did not arouse Congress to its duty to impeach the court; but it so aroused the people everywhere that a movement was at once started all over the country which resulted in the adoption of the Sixteenth Amendment to the Constitution.

Judge Shiras was a Pennsylvania lawyer and had for years, so I am informed, been the attorney of many of the chief beneficiaries of his change of position as a judge on this question; but I know a lawyer is the only person who can legally take a bribe—he calls it a *fee.*

This amendment again conferred upon Congress the power which the Court, by an unconstitutional and revolutionary decision, had attempted to take

away. Under the broad terms of this Sixteenth Amendment, which, in specific language, makes all incomes from whatever source derived, liable for an income tax, Congress passed another income tax law. The court, not daring to again declare an income tax unconstitutional, then proceeded to render a legislative decision in which it holds that an income received in the form of a "stock dividend" is not liable for a tax on such income. This opened the way to relieve all the largest incomes in this country from any tax whatever. All the big corporations at once began declaring stock dividends instead of cash dividends, and thus they are robbing the Treasury of the United States annually of hundreds of millions of dollars, which must be made up and paid by the people of less means and less capacity to pay.

This monstrous decision was rammed through the court by a majority of one, four of the justices dissenting; Mr. Justice Brandeis, in his dissenting opinion, said:

> "If stock dividends representing profits are held exempt from taxation under the Sixteenth Amendment, the owners of the most successful business in America will, as the facts in this case illustrate, be able to escape taxation on a large part of what is actually their income."

How quickly this prophecy was fulfilled is indicated by the volume of stock dividends that have been declared since the court delivered this opinion. Mr. Justice Brandeis, in the same dissenting opinion, adds: "That such a result was intended by the people of the United States when adopting the Sixteenth Amendment is inconceivable."

The same conviction is expressed with pungency by Mr. Justice Holmes in his dissenting opinion in the same case, in which he says:

> "I think that the word incomes in the Sixteenth Amendment should be read in 'a sense

> most obvious to the common understanding at the time of its adoption,' . . . for it was for public adoption that it was proposed. . . . The known purpose of this amendment was to get rid of nice questions as to what might be direct taxes, and I cannot doubt that most people, not lawyers, would suppose when they voted for it that they put a question like the present one to rest."

This is a strong and timely indictment of such judicial usurpation.

A MOST BRAZEN DECISION.

The Supreme Court, by this decision, had protected their rich friends from paying an income tax, but had not protected themselves, since their salaries from the Government were paid in cash, and not in stock dividends; so another decision was rendered, declaring the income tax law unconstitutional as far as it requires the judges and the President to pay an income tax. This raw personal decision was rendered by Judge Van Devender, a sage-brush lawyer from the cowboy country of Wyoming, who was appointed by Roosevelt, and whose only qualification seems to be that he had been an attorney for the Union Pacific Railroad. I have seen no reputable citizen who has attempted to defend this outrageous decision, rendered in the interests of their own personal pockets.

THE JUDICIARY DRUNK WITH POWER.

In short, the court, having become drunk with unrestrained power, has boldly entered the field of legislation, and now does not hesitate to alter, amend, or repeal any act of Congress. The court could not find any grounds on which to declare the Anti-Trust law unconstitutional, so it proceeded to amend the law. The act makes unlawful "a conspiracy in restraint of trade"; but the court amended it by inserting the word "unreasonable," so restraint of trade is no

longer unlawful unless it is "unreasonable" restraint. Highway robbery is no longer a crime unless it is "unreasonable" robbery.

The cases of such judicial juggling with legislation are too numerous to mention; but I will cite one other case which caps the climax of flagrant usurpation—the notorious Steel Trust case. The Steel Trust was indicted and tried for violation of the Anti-Trust law. The evidence of guilt was overwhelming and conclusive. The court admitted it was clear that the Steel Trust had been violating the law in a wholesale manner; yet it held that it was not committing any new acts of lawlessness just at that time, and, therefore, that no good purpose would seem to be served in now punishing the trust for past gross violations of law.

I quote the following from the decision of the court in that case:

> "A holding corporation which by its formation united under one control competing companies in the steel industry, but which did not achieve monopoly, and only attempted to fix prices through occasional appeals to and confederation with competitors, whatever there was of wrongful intent not having been executed, and whatever there was of evil effect having been discontinued before suit was brought, should not be dissolved nor be separated from some of its subsidiaries at the suit of the Government, asserting violations of the Sherman Anti-Trust Act—especially where the court cannot see that the public interest will be served by yielding to the Government's demand, and does see in so yielding a risk of injury to the public interest, including a material disturbance of, and, perhaps, serious detriment to, the foreign trade.
>
> "In conclusion, we are unable to see that the public interest will be served by yielding

> to the contention of the Government respecting the dissolution of the company or the separation from it of some of its subsidiaries; and we do see in a contrary conclusion a risk of injury to the public interest, including a material disturbance of, and, it may be serious detriment to, the foreign trade. And, in submission to the policy of the law, and its fortifying prohibitions, the public interest is of paramount regard."

But you must remember the judges are lawyers, and a lawyer is the only person who can legally take a bribe—he calls it a fee.

So the public has been robbed in a wholesale manner, but, inasmuch as the robbers are not just now doing any stealing, and they promise to use some of their stolen money for charity, it is not deemed to be in the public interests to punish them; they are allowed to go scot-free with their ill-gotten gains, and not even put under bond not to violate the law again.

Of course, a court that will render such a line of decisions could be depended on to declare unconstitutional the law passed by Congress making "profiteering" illegal during the war, which thing the court has just done; and now all the profiteers, big and little, who have been indicted for most treasonable profiteering on the Government, contributing to the suffering and death of thousands of soldiers, whose lives otherwise would have been saved, are discharged with honor and are permitted to go scot-free with their blood-money fortunes.

Jefferson is dead; and Congress is composed of lawyers.

HOW ALL THE TEN AMENDMENTS ARE BEING DESTROYED.

These cases illustrate how the Federal courts have usurped powers in order to shield and confer special privileges on big property interests, in flagrant violation of the Tenth Amendment to the Constitution.

But the courts have gone further, and have attempted to destroy all the ten amendments, which were put into the Constitution to safeguard and protect human rights.

In the Abrams case, recently decided by the Supreme Court, it was held that Mollie Steiner and Abrams and two others were guilty of violating the Espionage Act because they circulated in New York a pamphlet urging the raising of the blockade against Russia. The lower court had sentenced Mollie Steiner to prison for fifteen years—a mere slip of a girl, a little over twenty years of age—and the three men, who had also circulated this petition protesting against the blockade, for twenty years each to the Federal penitentiary. This monstrous decision, which is clearly in violation of the First Amendment—guaranteeing freedom of speech and of the press—and which is also squarely in defiance of the Eighth Amendment, which provided that cruel and unusual punishments shall not be inflicted, was affirmed by a majority of the Supreme Court of the United States. I quote from the dissenting opinion of the court rendered by Justice Holmes and concurred in by Justice Brandeis:

> "To hold such publications can be suppressed as false reports, subjects to new perils the constitutional liberty of the press, already seriously curtailed in practice under powers assumed to have been conferred upon the postal authorities. Nor will this grave danger end with the passing of the war. The constitutional right of free speech has been declared to be the same in peace and in war. In peace, too, men many differ as to what loyalty to our country demands, and an intolerant majority, swayed by passion or by fear, may be prone in the future, as it has often been in the past, to stamp as disloyal opinions with which it disagrees. Convictions such as these, besides abridging freedom of

> speech, threaten freedom of thought and of belief. . . . In this case, sentences of twenty years' imprisonment have been imposed for the publishing of two leaflets that I believe the defendants had as much right to publish as the Government has to publish the Constitution of the United States now vainly invoked by them."

Such an infamous and inhuman decision requires no further comment from me.

Similar cases are so numerous in the recent decisions of the Supreme Court that it is astonishing that Congress has not acted to call the offending members of the court to accountability for such flagrant usurpations, in violation of the basic rights of a free people guaranteed by the first and other amendments to the Constitution. The President of the United States should have removed these offending judges for want of "good behavior," which is the constitutional qualification for a Federal judge. A judge should not be permitted to remain on the bench until he commits offenses so great as to make him guilty of the grave crimes named by the Constitution for impeachment. But the offenses here cited amount to "high crimes and misdemeanors," and also to "treason" against free government, and therefore call loudly to Congress to apply the impeachment remedy of the Constitution, since the President has failed to remove for want of "good behavior."

I will mention one more case: In the Gilbert case from Minnesota, the Supreme Court held outright that the expression of opinion is a crime. In that case, the speaker had simply stated that the people had no voice, really, in the selection of any of their officers, but that they were selected for them; that voting was no particular remedy for any of the evils of which we complain, because the candidates and the platform were prepared in advance by big business interests; and that people could vote or not vote, just as they chose, it making no difference in the result.

The indictment in that case charged that Gilbert in time of war used the following language in a public speech in the State of Minnesota:

> "We are going over to Europe to make the world safe for democracy, but I tell you we had better make America safe for democracy first. You say, 'What is the matter with our democracy?' I tell you what is the matter with it: Have you had anything to say as to who should be President? Have you had anything to say as to who should be Governor of this state? Have you had anything to say as to whether we would go into this war? You know you have not. If this is such a good democracy, for Heaven's sake why should we not vote on conscription of men? We were stampeded into this war by newspaper rot to pull England's chestnuts out of the fire for her. I tell you if they conscripted wealth like they have conscripted men, this war would not last over forty-eight hours. . . ."

It was for expressing these opinions that he was sent to jail for three years and fined five hundred dollars.

What has become of the Bill of Rights guaranteeing "freedom of speech"?

Le us read again the First Amendment to the Constitution:

FIRST AMENDMENT.

> "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press, or of the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

When the court convicted Gilbert for the expression

of such an opinion, it repealed, by judicial fiat, this amendment to the Constitution.

Hear Judge McKenna roar, and hear the other little judges join in the chorus:

> ". . . The war . . . was not declared in aggression, but in defense, in defense of our national honor, in vindication of the most sacred rights of our nation and our people." (Words of President Wilson in his War Message to Congress, April 2, 1917.)
>
> "This was known to Gilbert, for he was informed in affairs and the operations of the Government, and every word that he uttered in denunciation of the war was false, was deliberate misrepresentation of the motives which impelled it, and the objects for which it was prosecuted. He could have had no purpose other than that of which he was charged. It would be a tragedy on the constitutional privilege he invokes to assign him its protection."

This language of the court needs no comment, because it shows on its face utter want of judicial reasoning; it is not expressive of any legal principle; it is an assertion of naked power, avowedly guided by emotion.

Here is a court—the Supreme Court—the court of last resort, depriving an American citizen of his liberty, and founding their opinion on emotion and hysteria; on instinct without logic, without sense or reason, overturning the Constitution and violating their oath of office, while Congress fails to act because it is composed of lawyers.

It is needless to cite or examine other decisions of a court which has become so irresponsibly drunk with usurped power as to render two such monstrous decisions. They are flagrant violations of the basic guarantees of the Bill of Rights and the ten amendments, and are revolutionary in the extreme. It is

such treasonable judicial tyranny as this that breeds anarchy.

Let us read again the earnest and warning words of Jefferson:

> "The judiciary of the United States is the subtle corps of sappers and miners constantly working underground to undermine the foundations of our confederated fabric. . . . I will say, that against this every man should raise his voice, and, more, should uplift his arm."

The lawyers who serve monopoly and special privilege try to create the impression that the Supreme Court in infallible; that its decisions are the final law of the land, even when in violation of the Constitution, and that no one must criticize or question the sanctity of the court. Yet the present Supreme Court of the United States is a most ordinary body of men. No matter who their predecessors were, they certainly were not selected because of their wisdom, genius or learning. They are a long way from being infallible. In fact, the records of the Supreme Court show that they are exceedingly and wilfully fallible. In all our history, no judge ever voted *other than with the political party from which he came.*

In short, the obvious and ugly truth is that the United States courts have become the greatest enemy to justice, and the greatest menace to a free government.

THE REMEDY FOR JUDICIAL USURPATION AND TYRANNY.

The time has come when this growing and overshadowing evil must be checked. There are today but two checks on the Federal judges. First, the power of impeachment, which the Constitution vests in Congress; second, the power of removal, which the Constitution vests in the President, by and with the advice and consent of the Senate.

To impeach a judge and remove him from the

bench by that means makes it necessary for the House of Representatives to formulate and present impeachment charges, and to convict the judge of treason or of high crimes and misdemeanors, and by a two-thirds vote of the Senate. Congress has never exercised that constitutional power and duty, and probably never will, unless there shall be a revolution at the polls, on that specific issue, against some judge or judges, whose corruption and guilt are known to all men.

The other check, the power of the President to remove a judge by and with the advice of the Senate, would be very effective if we had a President who would exercise the power when and where it is needed.

It is a common error that Federal judges are appointed for life. The words of the Constitution are that the President, by and with the advice and consent of the Senate, has the power to appoint judges "who shall hold their offices during good behavior"; the commission which every judge holds today so reads.

Thus the Constitution clearly puts the Federal judges in a class by themselves, and requires of them a higher degree of accountability than is required of other Government officials. Other public officials, from the President down, cannot be removed from office until they can be convicted, by a two-thirds vote of the Senate, of being guilty of the "high crimes" which are prescribed for impeachment. But a Federal judge may not stay on the bench until he has reached that degree of known unfitness; he must live and act on the bench, and off, up to the high standard of "good behavior" which he was deemed to possess by the President and the Senate when he was appointed and confirmed. When a judge ceases to be a man of "good behavior," such as he was required to possess to qualify him for appointment as judge, he at once becomes disqualified, under the Constitution, to serve longer on the bench. Since the Constitution

does not prescribe some other way of determining want of "good behavior," that power remains inherently in the appointing powers, and Congress may, by law, define what is bad behavior, if Congress chooses to do so. Therefore, the President, by and with the advice and consent of the Senate, has vested in him primarily the constitutional power and duty to determine when a Federal judge becomes disqualified to serve for want of "good behavior." The procedure is simple: The President, having determined that a certain judge no longer measures up to the standard of "good behavior," so informs the Senate, when nominating his successor. If the Senate concurs and confirms the nomination, then the judge in question is pro-tanto removed for want of "good behavior," and the new judge takes the office thus vacated. It is most remarkable that no President has, so far, ever exercised this plain constitutional power when the frequent occasion for its exercise has made it a most vital presidential duty.

If we can ever elect a President who will remove judges who shall fall below the standard of "good behavior," which the Constitution makes an essential qualification for a man to continue to serve as judge, then the people will be able to exert at each presidential election their reserved power for the correction of judicial usurpation and abuses.

When neither of these constitutional checks on the judiciary is exercised, then the Federal judges, realizing that they are free from any kind of check or restraint, and responsible to no one, boldly usurp power and become despots of the most vicious and dangerous kind. This is the condition today, and this is what is the matter with the Federal judiciary.

There is a growing popular demand for an amendment to the Constitution to make the judiciary department of the Government responsible to the people, as are the executive and legislative departments. But that is a slow and uncertain remedy.

AN IMMEDIATE REMEDY THAT WILL BE EFFICIENT.

There is, however, an immediate remedy before us, without amending the Constitution, which shall be effective to check and cure most of the evils and abuses from which we now suffer. It is simply to repeal the act of Congress creating all United States courts inferior to the Supreme Court, thus abolishing all Federal courts inferior to the Supreme Court, and thus confining the operations of the Supreme Court to its original jurisdiction, as clearly defined by the Constitution. The language of the Constitution is as follows:

> "The judicial powers of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish. . . . In all cases affecting ambassadors, other public ministers and consuls, and those in which the State shall be a party, the Supreme Court shall have original jurisdiction. In all other cases before mentioned, the Supreme Court shall have appellate jurisdiction both as to law and facts, with such exceptions, and under such regulations as the Congress shall make."

It is clear that if Congress will repeal the act creating the United States courts inferior to the Supreme Court, then the Supreme Court will be at once stripped of all appellate jurisdiction from the circuit and district courts. This will leave in the State courts the constitutional jurisdiction which Congress has conferred upon the inferior United States courts. This will take from the Supreme Court the opportunity to use the judicial legerdemain by which it has contrived to usurp the power to declare acts of Congress unconstitutional and to render legislative decisions. There will then be no hocus-pocus by which the court can get an act of Congress, before it to be

repealed, amended or juggled. This will be perfectly safe, and is indeed the only way to safety; because if Congress shall make a mistake about the Constitution, the people can correct it at the next election; but if the Supreme Court makes a mistake, or is corrupt as it surely must have been in the cases herein cited—the income tax and in many other grievous cases—then the unanimous vote of the whole electorate is powerless to correct it until the Constitution is amended. It took the people twenty years to do that in the income tax case, and now the Supreme Court has attacked and tried to destroy the Income Tax Amendment to the Constitution. Such usurpation will never stop unless this remedy is applied.

Last April I sent the following letter to every member of Congress and to every judge of the Supreme Court:

"Washington, D. C., April 10, 1920.

"I enclose a pamphlet which I prepared some years ago with regard to the United States courts. I will be much pleased if you can find time to read it. You know the Supreme Court of the United States is provided for in the Constitution, but its original jurisdiction is limited to controversies between states and to the consular and diplomatic service, though Congress may provide certain appellate jurisdiction; and that afterwards Congress, by an act, provided for the United States Circuit and District Courts. It is through this congressional act that constitutional questions have been raised so as to reach the Supreme Court.

"The framers of the Constitution never intended that the courts should have power to nullify an act of Congress, by declaring it unconstitutional. That was supposed to be the only ground for veto by the President. But the courts have usurped this authority

and in the recent decisions they have nullified the Constitution and usurped legislative functions by declaring that it is not expedient to dissolve the steel trust, although its conduct is in plain violation of the statutes; and in the Abraham case they have sent three men to prison for twenty years for doing what the minority opinion of the court says they had a perfect right to do. As a result of these decisions, Senator LaFollette and perhaps others have proposed an amendment to the Constitution of the United States changing the method of selecting our United States judges. I submit that an amendment to the Constitution is not necessary. Besides, that method of securing relief from such obvious usurpations of power is slow, difficult and possibly impossible of accomplishment. Now, what I propose and all that is necessary, is that Congress repeal the law creating United States district and circuit courts, and leaving the cases hereafter that arise between citizens of the United States to the courts of the various states for final decision. This will leave the Supreme Court clothed simply with authority and jurisdiction given them by the Constitution.

"Courts of the various states are elected by the people. There is no place in a democracy for officials appointed for life; and when they usurp power and authority and violate the Constitution and assume legislative powers, it becomes intolerable.

"Very truly yours,

"R. F. PETTIGREW,

"Raleigh Hotel."

The Supreme Court, as I have shown, was created by the Constitution, while the United States circuit and district courts have been created by an act of Congress.

These inferior courts were established by Congress upon the theory that a citizen of one state could not get justice in the courts of another state. We all know that a citizen of Massachusetts can secure justice in the courts of Illinois. If a citizen of the United States goes to a foreign country, he and his property submit to the courts and laws of the country where he happens temporarily to reside, and, therefore, there is no reason why these United States courts should exist.

These courts do not properly belong to our system of Government. There is no place in a representative republic for an officer who can usurp power and become a despot. Therefore, these courts should be instantly abolished, and in their place courts substituted that are elected by the people subject to recall; that is, courts of the several states.

If the people are capable of enacting laws, they are capable of saying what they meant by those laws when they enacted them.

Abraham Lincoln, in a speech at Cincinnati, on September 15, 1859, declared:

> "The people of these United States are the rightful masters of both Congress and the courts, not to overthrow the Constitution, but to overthrow the men who pervert the Constitution."

Lincoln said, in his first inaugural address, March 4, 1861:

> "This country with its institutions belongs to the people who inhabit it. WHENEVER THEY SHALL GROW WEARY OF THE EXISTING GOVERNMENT, THEY CAN EXERCISE THEIR CONSTITUTIONAL RIGHT OF AMENDMENT, OR THEIR REVOLUTIONARY RIGHT TO DISMEMBER OR OVERTHROW IT."

The Federal courts are perverting the Constitution; they are undermining the foundations of free government; these usurpations and despotism must be stopped. This question is so important and so fundamental that immediate action, in my opinion, must be had to take the Government out of the hands of the lawyers and the judges, and restore it to the people, if we wish to prevent a revolution in this country.

The United States courts, created by act of Congress, can and should be abolished by act of Congress. They do not belong to democratic institutions.

XXII. HAWAII—A REVOLUTION TO ORDER.

During the years of my acquaintance with American public life, I have seen the center of power move from Washington to Wall Street. When I first entered the Senate they talked of the "invisible empire of business." During the nineties that empire ceased to be invisible—it came out in the open, and through its representatives and attorneys on the floor of the Senate and the House it fought its battles for privilege and plunder—fought them and won them. .

The plutocracy established its right to plunder the people of the United States. Through the banks, the railroads and the trusts, it robbed them openly and shamelessly, and those few of us who fought on the side of the people and against these masters of privilege, were driven out of public life for our pains. Laws aimed to promote the general welfare were not so much as considered in Washington. The work of Congress was, first and last, to protect and safeguard the interests of big business.

I saw this thing and faced it. I fought it in the Senate during twelve years with all the strength and ability at my command, and when those twelve years of struggle were ended, the business power was immeasurably stronger than it was when they began.

The real strength of big business came over the issue of imperialism. The right to plunder at home had been pretty firmly established by the time the Sherman Law was passed in 1890. The right to plunder abroad had never come up for serious consideration.

From 1870 to 1890 the business interests of the United States were busy building railroads, opening mines and establishing factories. Even as late as the nineties there were only a few of the business groups that were looking outside the country for a chance to exploit and rob. Among these few were the sugar men.

The United States has never provided its own sugar supply. The sugar business is a profitable one, however, and the American business men made up their minds that if profits were to be made in sugar they might as well have them.

The fight turned on Hawaii. .

The Hawaiian Islands have a climate well adapted to sugar-growing and the soil, a deep volcanic ash overlying boulders, is the best sugar-cane soil in the world. In Hawaii they raise eight tons of sugar to the acre.

Hawaii was owned by foreign capitalists among whom the Americans were the largest single holders.

I had an investigation made when I was in Hawaii of the books of the interior department, for their law required that every sugar corporation should file a report giving the names of the stockholders. All of the corporations did not comply with the law, but several did comply. I had their reports studied and from them it appeared that the holdings in sugar corporations, arranged by nationality, were: American, $3,225,750; British, $1,642,350; Hawaiian, $792,000; German, $458,700; and Portuguese, $1,200, making a total of $6,120,000. In short, more than half of the sugar plantation values were American owned.

The estimates of taxable property in the Islands showed that the Hawaiians, who numbered together 39,504 individuals, owned taxable property to the amount of $8,101,701, while the American, British and Germans, 6,768 in number, owned taxable property to the amount of $26,701,908. The "foreigners," while numbering only one-seventh of the taxpayers, owned more than three-quarters of the taxable wealth in the Islands.

Foreign economic interests on the Islands were paramount, and it was these interests that fostered the Revolution of 1893. I need not go into this matter in detail, as I have elaborated on it elsewhere (The Course of Empire, Chapter V). Let it suffice to say that the United States Minister, resident at Honolulu, entered into a conspiracy with a few business men and their

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representatives for the purpose of overthrowing the native government, and deposing the reigning queen. As a part of this conspiracy, the United States Minister used American marines to protect the conspirators while they organized a government, which was immediately recognized by the United States Minister. A treaty, based on this disgraceful incident, was sent to the Senate of the United States for ratification on the recommendation of President Harrison, and was reported favorably by the Committee on Foreign Relations.

The report of the Committee on Foreign Relations did not tell the facts regarding the overthrowing of the Hawaiian Government; neither did the message of the President transmitting the treaty give the essential facts, and it was with great difficulty that the facts were obtained. But the infamy of the whole transaction was finally disclosed and, after a great many months of controversy, the treaty failed to command the two-thirds vote necessary for its ratification.

I was the leader of the fight in the Senate against the treaty and its ratification. The question excited widespread attention. Most of the great newspapers were outspokenly in favor of ratifying the annexation treaty. They filled their columns with false headlines on the subject, and even resorted to the practice of making up press dispatches purported to come from the Islands. Despite all their efforts, however, the treaty could not pass.

There is no longer any dispute over the material facts of the Hawaiian Revolution.

What were the essential facts behind the revolution that led the United States to make its first annexation of non-continental territory. There is no longer any serious dispute concerning them.

George W. Merrill, who was our Minister to Hawaii, wrote Mr. Secretary Blaine, September 7, 1889, as follows:

It is also noticeable that among the American residents here there are several who, from personal mo-

tives, contemplate with satisfaction periodical disquietude in this kingdom, hoping that frequent revolutionary epochs will force the United States Government to make this group a part of its territory and to absorb into its body politic this heterogeneous population of 80,000, consisting of Chinese, Japanese, Portuguese, native Hawaiians, half castes, and only about 5,000 of those who may be properly denominated the white race.

"In order to keep affairs in as much turmoil as possible, baseless rumors are constantly put in circulation, many of which find publication in other countries."

This was from our minister who was superseded shortly afterward by Mr. Stevens. Mr. Stevens was appointed minister in October, 1889. Harrison had been elected President. One of the issues of the campaign was free sugar. The McKinley Act became a law August 27, 1890. On August 20, 1891, Mr. Stevens wrote to Mr. Blaine as follows:

"The probabilities strongly favor the presumption that a United States warship will not be pressingly necessary in the two or three immediate months. But as early as the first of December, without fail, the month preceding the election, and for some time thereafter, there should be a United States vessel here to render things secure. . . . There are increasing indications that the annexation sentiment is growing among the business men. The present political situation is feverish, and I see no prospect of its being permanently otherwise until these islands become a part of the American Union or a possession of Great Britain."

Here, then, is our minister, accredited to a friendly government, contemplating the destruction of that government and the annexation of its territory. Further on, in his next dispatch, he asked the State Department to keep secret his statement in regard to the overthrow of that government; and he says in the dispatch

At every step in the proceeding great care was taken to consult the American Minister and to know just what he would do in case the conspirators were arrested. There was a great sense of fear and apprehension of danger on the part of these thirteen men only. All honest citizens felt safe and secure in life and property.

Troops were landed from the United States gunboat in the harbor, and distributed, not for the purpose of protecting Americans or American property, but to guard the government building and show the Queen that they were assisting the revolutionists. This was Monday evening. On Tuesday morning the Committee of Thirteen met again and signed the proclamation declaring the establishment of a new government, and about two o'clock started, in two parties on different streets, to go to the government buildings, now guarded by United States troops, to read the proclamation, according to a previously arranged plan with our minister.

Without a single armed man they proceeded to the government building and, in front of it, within seventy-five yards of the 150 marines landed from the United States vessel, they proceeded to read the proclamation declaring that they were the government. They, however, took the precaution to go in two parties, one party going up one street and the other party another street, so as not to attract attention. They took the precaution to send one of their number up to see if there were any armed men likely to interfere.

The proclamation having been read at the government building, guarded by United States troops, the United States Minister proceeded at once to recognize the new government. They had not an armed man—they had proceeded to the government building where there were clerks and officers of the Hawaiian Government, with not even a policeman present. They stood up in front of that building within seventy-five yards of the Gatling guns of the marines from an American battleship, and read a paper declaring that they were

the government. Three-quarters of a mile away the Queen had five hundred men under arms and, without waiting, the moment they read the proclamation our minister recognized these thirteen men as the government of Hawaii—without any armed forces whatever, knowing the precedents followed by all civilized nations, and he undertook to falsify the facts.

He claimed that he recognized the government after the Queen had surrendered—after the old government had given up—after she had abdicated and said that she would submit her case to Washington. An investigation of the facts proved that this statement is false.

After the recognition of this so-called government, before the surrender of the Queen or the armed forces which she had, a delegation was sent to her and she surrendered to the armed forces of the United States, saying:

"I yield to the superior force of the United States of America, whose minister plenipotentiary, His Excellency John L. Stevens, has caused the United States troops to be landed at Honolulu and declared that he would support the said provisional government."

To avoid collision and bloodshed, she submitted the question to the Government at Washington, surrendering to the armed forces of the United States; surrendering after Stevens had recognized the so-called government; surrendering because she was told that the Government of the United States, whose people she had always been taught to reverence and respect, would do justice and restore her to the throne, and they cited a precedent in Hawaiian history as a justification for this claim:

"On the 10th of February, 1843, the British frigate Carrysfort, commanded by Lord George Paulet, arrived at Honolulu and showed displeasure by withholding the usual salutes.

"He proceeded at once to take the King prisoner and make such demands upon him that he surrendered his crown on condition that the question would be sub-

mitted to the British Government. The "History of the Hawaiian People" says:

"Under the circumstances the King resolved to bear it no longer. 'I will not die piecemeal,' said he; 'they may cut off my head at once. Let them take what they please; I will give no more.'

"Dr. Judd (he was an American) advised him to forestall the intended seizure of the islands by a temporary cession to Lord Paulet, pending an appeal to the British Government. The event proved the wisdom of this advice.

"On the next day the subject was discussed by the King and his council, and preliminaries were arranged with Lord Paulet for the cession. On the morning of the 25th the King and premier signed a provisional cession of the islands to Lord George Paulet, 'subject to the decision of the British Government after the receipt of full information from both parties.

"At 3 o'clock p. m., February 25th, the King, standing on the ramparts of the fort, read a brief and eloquent address to his people."

Then they submitted the question to Great Britain, and the English Government promptly restored the King to his throne, refusing to accept an usurpation of that sort. So, in this case, the Queen, having in mind this historic incident, said:

"I, Liliuokalani, by the grace of God and under the Constitution of the Hawaiian Kingdom, Queen, do hereby solemnly protest against any and all acts done against myself and constitutional Government of the Hawaiian Kingdom by certain persons claiming to have established a provisional government of and for this kingdom.

"That I yield to the superior force of the United States of America, whose minister plenipotentiary, His Excellency John L. Stevens, has caused United States troops to be landed at Honolulu and declared that he would support the said provisional government.

"Now, to avoid collision of armed forces and perhaps the loss of life, I do, under this protest, and impelled by

said force, yield my authority until such time as the Government of the United States shall, upon the facts being presented to it, undo the actions of its representatives and reinstate me in the authority which I claim as the constitutional sovereign of the Hawiian Islands."

When Kamehameha, in 1843, surrendered and ceded the islands to the British admiral, because he could not resist the forces of an armed ship of war, the English Government promptly repudiated the act and restored him to the throne; and when Queen Liliuokalani, deprived of her authority by the armed forces of the United States, proposed to submit the question to this Government, she had good reason to suppose that the great republic would preserve its honor and dignity among the nations of the world and restore her to the throne. Yet, in the face of these facts, the treaty made with this revolutionary government of business men was passed by the Congress of the United States and this country took title to Hawaii against the will of the majority of the people in that country.

On January 31st, thirteen days after the revolution, President Dole wrote Mr. Stevens that his government could not maintain itself, and asked for the protection of the United States troops. Stevens complied, and our flag was put up, over the public buildings, and remained up until April 1, 1893, when Mr. Blount ordered it taken down. If there was a government that had been able to create and establish itself and to maintain itself with an armed force, why was it that thirteen days afterwards they begged of Mr. Stevens, admitting their impotency to maintain their government, to again land the troops of the United States and put the United States flag upon the buildings? This was done on the 31st of January, and the flag remained there sixty days. The flag went up in dishonor. When it was raised under such circumstances it was a disgrace to the Republic.

During the sixty days while our flag remained upon this building, the provisional government brought in foreign mercenaries from San Francisco, collected an

armed force, gathered up every gun upon the islands, passed the strictest penal laws against the importation of guns, and made it a criminal and penal offense to have a gun. The so-called republic was surrounded by armed men. Back and forth in front of the public offices marched men with Winchester rifles.

The new government proceeded rapidly to enact laws. It consisted, not of a legislative body, but of nineteen men, self-constituted, supported by our armed forces. They provided that no one should be eligible to be a senator, a representative or a juror until he should have subscribed to the following oath or affirmation:

"I do solemnly swear (or affirm), in the presence of Almighty God, that I will support the constitution, laws and government of the Republic of Hawaii; and will not, either directly or indirectly, encourage or assist in the restoration or establishment of a monarchial form of government in the Hawaiian Islands."

On the 31st an act concerning seditious offenses was published. This law made it an offense to speak, write or print anything which might bring hatred or contempt against the government. On the same day was published a law prohibiting the importation of firearms and ammunition without first obtaining the permission of the government. On the same day an act relating to contempts became law: "Any person who shall publish any false report of the proceedings of said council, or insulting comment upon the same," etc., was liable to imprisonment for thirty days.

What did this revolutionary government do? It set up a republic! For nearly a year after the government was created they had no constitution. But after a year the nineteen concluded to organize the Republic of Hawaii. Such a republic was never known to history before. An election was called for a constitutional convention. The call provided that the people who would take an oath to support their government might elect eighteen delegates to the constitutional convention. The revolutionists, nineteen of them, constituted themselves members of the convention without any election, mak-

ing the election of delegates absolutely a farce. What kind of a constitution did they adopt? Their constitution provided for an oligarchy. It provided that the government should consist of Mr. Dole as president—he was named in the constitution—who was to hold office until the year 1900, a senate of fifteen members and a house of representatives of fifteen members, and the senate and house sitting together were to elect Mr. Dole's successor president after the year 1900, but no successor was to be elected unless he received a majority of the senate; and, if no successor was elected, Dole continued to hold the office.

Under this constitution no person could vote for a senator unless he was worth $3,000 in personal property or $1,500 in real estate, according to the last assessment for taxation, or unless he had an income of $600 a year.

These provisions shut out everybody in the Hawaiian Islands from the right of suffrage except the sugar planters and their fellow business and professional men. Such a qualification would have disfranchised ninety per cent of the voters of the United States.

The constitution created a council of state, five of whom were to be selected by the president, five by the senate and five by the house of representatives; and this very constitution provided that a majority of the council could do business. Then it provided that they could make laws and appropriations when the legislature was not in session, and that their laws and their acts and their appropriations should hold good until the last day of the session of the legislature.

They put into the constitution a provision for a union, commercial or political, with the United States. Did that come from the people? They had no voice in it. The constitution was not endorsed by the people or submitted to the people. After this self-constituted convention had adopted its constitution, it declared the document the constitution of the Republic of Hawaii, and never submitted it to a vote at all. And yet it was

from this gang of sugar-raising conspirators that we took the islands.

The annexation of Hawaii was the first big victory won by the business interests in their campaign to plunder outside of the United States. It was the precedent that they needed—the precedent that made easy the annexation of Porto Rico, the Platt Amendment to the Cuban Treaty, the conquest of the Philippines and the other imperialistic infamies that have sullied the good name of the United States during the past twenty years.

When I entered this fight against the annexation of Hawaii, I had a vague impression of the power that could be exerted by big business. The fight lasted five years, and when it was ended. I had a clear, full knowledge of the methods and the strength of the American plutocracy. I entered the fight, knowing that it would be a hard one. I left it, wondering that we had been able to hold off the interests for as many as five years.

XXIII. ANTI-IMPERIALISM.

The Senate debates over the annexation of Hawaii had roused millions of Americans to the imperial menace that was threatening the life of the Republic. Between 1893, when the revolution occurred in Hawaii, and 1898, when the annexation of the islands was finally approved under the stress of the war frenzy that possessed the country, I carried on almost a continual fight against the policy of those who were advocating annexation. The friends of the treaty were not able, during those five years, to secure anything like the necessary two-thirds of the Senate, and the fight against annexation might have been won but for the Spanish-American War with its tidal wave of patriotic frenzy.

It was on July 7, 1898, after the war had been in progress for more than two months, and after the public attention had been turned from the problems of imperialism to the celebration of victory, that Hawaii was annexed, and even then the imperialists still lacked their two-thirds of the Senators, so that it was necessary to provide for annexation by a joint resolution which required only a majority of both Houses of Congress.

With the end of the war there was a swing back toward sanity and a vigorous protest rose from all parts of the country.

Millions of the plain people were eager to stem the tide of imperialism that was running so strongly in favor of the big business interests and their policies.

As one means of checking imperialism an Anti-Imperialist League was formed about 1899. The league had a large popular membership—about half a million, I believe—held mass meetings and conferences in all parts of the country—adopted a platform that renounced the imperialism of the McKinley administra-

tion, and pledged itself to enter politics and fight the issue through to a finish in every voting precinct in the United States.

Pursuant to this program, a conference was called at the Plaza Hotel in New York, for the 6th of January, 1900. The national elections were due in November of the same year; it seemed certain that McKinley would seek a second presidential term on his record as an advocate of annexation and conquest; there was, therefore, an excellent chance to make a clear issue and to organize a large enough sentiment within the ranks of both old parties to administer a severe rebuke to the business interests that were behind the Republican party and its imperial policies.

The meeting of January 6th turned out to be an eventful one. Andrew Carnegie was present, as well as Carl Schurz, ex-Senator Henderson, Brisbane Walker, Gamaliel Bradford, Edward Burrett Smith, Prof. Franklin H. Giddings, and about ten others. All were prominent men, and all were radically opposed to any movement that looked towards the holding of colonies against the will of the inhabitants and in violation of the principles enunciated in the Constitution and the Declaration of Independence. I was the only Senator or member of the House present at this meeting.

We had our meals brought to us, and talked all day. Finally we decided that we would organize a third political party.

It was agreed by Carnegie and Schurz and Henderson and by Prof. Giddings that the two old political parties—Democratic and Republican—were just alike; that as parties they were simply the servants of the great combinations and corporations who were the real rulers of the country; that it was foolish to depend upon either of them to oppose a policy which was being pushed by their financial backers and, therefore, it was decided to start a third party and to organize it in every county in the United States.

Mr. Carnegie, in a vigorous speech, urged the neces-

sity of a new political party for the purpose of opposing the imperial policy of both of the old parties, and said that he would give as much money, dollar for dollar, as the rest of us could raise toward promoting the campaign. As a pledge of good faith, he subscribed twenty-five thousand dollars on the spot.

The others present subscribed a like amount, elected Edward Burrett Smith, of Chicago, chairman of the political organization which they were forming, and authorized him, in consultation with the committee which had been appointed, to take charge of the campaign, to secure an organization in every county in the United States, and to have national committeemen from every state.

Carnegie paid $15,000 of the $25,000 he had subscribed. The others paid in the whole of their subscription ($25,000) and active work was begun within a month. Shortly after the New York meeting Carnegie came to my house in Washington, talked about the whole matter to me, and expressed great earnestness and anxiety about the success of the movement. I had every reason to believe that Carnegie meant to stand by the movement, and I felt convinced that his financial position and influence would enable us to raise a sufficient amount of money to carry on an effective campaign against McKinley and his imperialist backers.

I had known Andrew Carnegie very well for many years. I first became intimately acquainted with him during the contest in the Senate over the annexation of the Hawaiian Islands. I led the opposition to the annexation of those islands chiefly because the annexation would mean that we were starting upon a colonial system, acquiring a territory inhabited by a people not suited to our form of government, and that such a move would be the first step in the course of empire. Carnegie was of the same view, and, during the contest, often came to my house in Washington and discussed the question with me.

At the same time, I was investigating the question

of the distribution of wealth in the United States, and I discussed the matter with him and, finally, made a speech in the Senate on that question. Carnegie agreed with me that the concentration of wealth in a few hands and the move for imperialism were both serious menaces to the American people and their liberties. Carnegie was not then so enormously rich as he afterwards became.

Carnegie was a rich man even in 1900, but he had liberal views. I had known him for years, and had known during all of that time that he was vigorously opposed to imperialism. His support of the anti-imperialist movement, therefore, seemed to represent a very substantial part of the foundation upon which the movement was built.

The story of our plans was soon noised abroad, and it became known that an effort was being made to organize a third political party with the backing of Andrew Carnegie. About the middle of February I received a letter from Mr. Smith urging me to come to New York. I went at once, and was told by Mr. Smith that Carnegie had refused to pay in any more money after his first fifteen thousand dollars, and that he had refused to have anything to do with the members of the committee, although they had made repeated efforts to see him and to get into communication with him. In view of my acquaintance with Carnegie, Mr. Smith thought that I was the best person to see him and ascertain why he had abandoned the project about which he had been so enthusiastic only a month before.

I called upon Mr. Carnegie, but he refused to see me. I then went down to Wall Street to see some friends and acquaintances who were interested in the business side of national affairs, and to inquire why Carnegie had abandoned his effort to organize a third party, and had gone back on the whole anti-imperialist position of which he was an acknowledged advocate. I was not long in discovering the real difficulty.

The steel trust had been talked about and planned

by the great capitalistic combinations of this country, and Carnegie was one of the parties to the negotiations. The matter had gone so far that the following propositions were agreed up: First, they were to organize a corporation with one billion dollars of stock, none of which was to be paid for; second, they were to issue four hundred million dollars of bonds to pay for the properties and furnish working capital. Carnegie was to receive one hundred and sixty millions of this four hundred millions of bonds and, in addition, a like amount of the stock, and he was, of course, very anxious to consummate this deal which was of enormous financial advantage to him.

No sooner was it noised abroad that Carnegie was actively engaged in organizing a third political party, which would oppose McKinley and his imperialist policy, than he was waited on by a committee, with the ultimatum that they would go no further with the organization of the steel trust unless he abandoned his third party activities and stopped his contributions towards the movement. The members of the committee told him that it was absolutely necessary that they should have a protective tariff in order to justify the organization of the steel trust; that in order to have a tariff satisfactory to them, McKinley must be elected; that the organization of a third party would jeopardize his election, and, consequently, the tariff, and as they were going to capitalize the tariff by the issue of stock for which they paid nothing, they would have nothing further to do with the steel trust if Carnegie insisted upon pursuing the political course he had outlined.

The issue was a very clear one—political principles on one side and immense financial profits on the other. After weighing the matter, Carnegie abandoned the whole third party movement and went in for the election of McKinley.

Subsequently, the steel trust organization was completed and Carnegie received his quota of the bonds and stock of the combination. He then retired from

active business and began to build monuments to himself all over the world.

The anti-imperialist movement, which had depended so largely upon Carnegie's support, worked on for a time, hampered by a shortage of funds and a lack of effective interest in influential quarters. Its efforts were virtually nullified by Carnegie's withdrawal and the lukewarm support from other sources. The Republicans won the election. The steel trust secured the tariff it needed. The combination was perfected. The imperial policy of the preceding four years was confirmed by the election, and the hopes of those who had worked so loyally against the change of national policy were destroyed.

Undoubtedly we made a mistake to pin so much faith on the actions of one man—particularly in view of his business connections. On the other hand, his friendship, his determination and his apparent sincerity gave us every reason to believe that he could be relied upon to see the movement through.

We had made the issue—in Congress and out. We had set the Declaration of Independence against the conquest of the Philippines and the Constitution against the Hawaiian Treaty. We had placed the rights of man against the interests of the plutocracy. We had done everything that human ingenuity and energy and foresight could do to make our fight effective, and we had lost out. McKinley, the steel trust, big business and imperialism had won.

XXIV. CRIMINAL AGGRESSION IN THE PHILIPPINES.

The annexation of Hawaii and the Spanish Treaty, which provided for the acquisition by the United States of Porto Rico, Guam and the Philippines, started this country definitely on the course of empire. From that time—the years 1898 and 1899—we were committed to an imperial policy.

"Imperial policy" is a phrase with a pleasant sound and a dismal echo—dismal for the rights of man and women. The moment we adopted an imperial policy we committed ourselves to certain lines of national conduct that are as far from the principles of the Declaration of Independence as the east is from the west. In our new possessions is was necessary:

First, to beat into submission any of the native population which displays a spirit of independence;

Second, to extend the imperial boundaries in order to have more opportunity for exploitation;

Third, to establish measures that will insure the effective exploitation of the native population.

Our first imperial duty—that of beating the native population into submission—was presented only in the Philippines. The Cubans were nominally self-governing; the inhabitants of Porto Rico had welcomed the Americans as saviors.

The Filipinos had followed the same course at first, but, when they found that they were not to be free, they turned about and fought as stubbornly for their independence of American rule as they had fought during the preceding century for their independence of Spanish rule. It was the strength of the American army, not the justice of the American cause, that reduced the Filipinos to submission.

Perhaps nowhere in American history is there a record so black as that which describes our dealings with

the Filipinos. Before the seizure of the islands by Admiral Dewey, McKinley had taken a high moral stand on the subject of forcible annexation. In his message to Congress (April 11, 1898) he had said: "I speak not of forcible annexation, for that cannot be thought of. That, by our code of morals, would be criminal aggression." So it would, but we practiced it toward the Filipinos with the same zest that the British have displayed in India or the Japanese in Korea.

When we decided to attack Spain, when Dewey was ordered to sail from Hongkong and to destroy the Spanish fleet, a rebellion was going on in the Philippine Islands. The inhabitants of those islands were trying to throw off the Spanish yoke. Knowing that at Singapore there was a man, the most capable among the Filipinos, who had led a former revolt, our officers in the East induced this man to go back to Manila and organize the insurgent forces. Aguinaldo arrived on the 17th day of May, 1898. He immediately organized the insurgent forces. He purchased arms in Hongkong. Admiral Dewey furnished him with arms taken from the Spanish forces, and he attacked the Spanish garrisons all over the province of Cavite and secured arms from his prisoners. He pursued this course during the summer of 1898, until he had captured the entire island of Luzon except two Spanish garrisons—very small ones—and before winter he captured those. Dewey, in his report, says his progress was wonderful. He took 9,000 prisoners. After having captured the entire island, he set up a government, which was a peaceful government, a government suitable to those people, a government which protected life and property throughout the entire area of that country. He also captured the Southern Islands, the Island of Panay, of Cebu, and Negros, and organized governments there.

He assembled an army of 30,000 men and surrounded Manila. His army was intrenched. He invested the city on the land side while our navy blockaded the port on the ocean side. We acted in absolute concert with each other, consulted together, and, when Manila was

finally taken, our troops landed, asking the insurgents to give up about a quarter of a mile of their trenches. They marched out and allowed our troops to occupy a portion of their works. They believed that they were to act in concert with us in the attack upon Manila, When the attack was ordered their troops marched into the city along with ours. They took the principal suburb of Manila. We took and occupied the walled city. When they came to the walled city, which contained less than one-fifth of the population of the city of Manila, they found our bayonets turned against them. They were told that they could not enter. They had lost thousands of lives in their contest with Spain; they were in possession of that entire country, and yet, although in the assault upon the city they had lost more men than we did, they were denied admittance to the city, and they yielded and occupied the suburbs for some time.

Finally, we requested that they retire from the suburbs and they retired. Aguinaldo asked that he might be permitted to retire slowly, as it was difficult to govern his people and convince them that it was right that they should surrender possession of territory which they had conquered and for which many of their comrades had laid down their lives. He also asked that, in case we made a treaty with Spain, the territory which he had conquered should be restored to him; and this we refused. So we did not conquer the islands from Spain, for Spain had been conquered and driven out by the government of Aguinaldo. We had simply helped to take the city of Manila. Therefore, we took no title by conquest from Spain, for, at the time of making the treaty with Spain, we had not conquered any territory from her.

We did not acquire title by purchase, because title by purchase required delivery of possession and, as Spain was not in possession, she could not and did not deliver the islands to us. By what right are we there? By no right in morals or law; by no right that can be defended before God or man. We are there as conquer-

ors; we are there as armed banditti that would enter your premises in daytime, and we have no more right to be there than the bandit has to enter and despoil your home.

In October Aguinaldo was again asked to give up more territory. He was again asked to retire his troops beyond not only the city of Manila, but the adjoining towns. Then he called the attention of General Otis to the fact that the towns which Otis desired him to surrender were not a part of Manila—you will find it on pages 20 and 21 of General Otis' report. General Otis said, "You are right; the territory which I now demand I cannot find as embraced in the city of Manila or its suburbs, but," he said "that makes no difference; I insist on the possession of the territory anyway." So our lines were pushed out constantly, creating irritation and bad feeling.

Finally Dewey seized the ships of the Filipinos in the harbor. Was not that an act of war? Why talk longer about who commenced the war in the Philippines, when in October we seized the vessels of our allies—and they were vessels of war—dismissed the men who manned them, took down the Filipino flag, and removed it from the sea?

On the 24th of November, Otis again wrote to Aguinaldo, saying that he must retire beyond the village of Santa Mesa, and that if he did not he would attack him. On the 21st of December the President sent a proclamation to be published in the Philippines, telling the inhabitants that the United States has assumed sovereignty over the islands—a proclamation which was a clear declaration of war—a declaration that we would extend our military control, then existing in the city of Manila, throughout the entire area of the group.

This proclamation was published in the Philippines on the 4th of January, 1899. We seized their ships in October; we drove them beyond the territorial limits of the city of Manila—the only country we had occupied or had any right to occupy under the protocol with

Spain; we, on the 4th day of February, attacked their forces and fired the first and second shots, and killed three of their people. After that, on the 5th day of February, the day after hostilities were inaugurated, Aguinaldo asked to have hostilities cease, and said that he had no notion of making an attack on our people and had not done so. The reply was that fighting having once commenced, it should go on to the grim end.

Under these circumstances, we are precluded from taking any other position than that we betrayed and attacked an ally; that we conquered and reduced to subjection an unwilling people; that because we are mighty and because our army is strong enough to destroy the independence of an ally, we have deliberately taken possession of territory that was desired by our big business men for their enrichment.

By our "code of morals" our very presence in the Philippines, after the natives had established their own government, was an offense. By the same code, our greatest crime in the Philippines was the denial by the Washington administration, backed by the army and navy, of the right of self-government. The Filipinos not only desired self-government, but they actually established it before the American army began the conquest of the islands.

One of Lincoln's most famous remarks is as follows:

"Those who deny freedom to others deserve it not for themselves; and under the rule of a just God cannot long retain it."

I believe that is true. I believe the reflex action upon our own people of the conquest of other peoples and their government, against their will, has undermined the free institutions of this country, and has already resulted in the destruction of the republic.

President McKinley urged the conquest of the Philippines because he said they were not fit for self-government. I believe that there are no people fit for any other form of government. Governments are instituted, not bestowed, and therefore derive their just powers from the consent of the governed.

Any nation of people is capable of maintaining as good a government as they are entitled to have. When people can maintain a better government they will evolve it. It is impossible to give them a better government than they can maintain for themselves. A form of government will be as good as the average of the individuals composing the community are willing to have. The American Indians maintained a government and, for them, a better one than we have been able to bestow upon them. The Esquimaux in the arctic region maintain a government of their own suited to their condition and their circumstances, and it is a better government than anybody else can give them. Would their condition be improved by sending them foreign governors and a foreign council to enact laws and direct their course and method in life and to guide them in their civic and civil affairs? So it is with every other people the world around. There is nothing in the history of the colonies of the so-called Christian nations of the world to encourage the idea that we can give to this people a better government than they can maintain by themselves.

Is it an old doctrine that all governments derive their just powers from the consent of the governed? Some have said that it was a nursery rhyme sung around the cradle of the republic. The doctrine is new. It was announced little more than a century ago, a day in the birth and life of nations, and yet this great republic deliberately abandoned it for the old doctrine and the old theory and the old idea of selfishness.

Lincoln, in his speech at Springfield on June 26, 1857, thus defined his notions of the Declaration of Independence:

"In those days our Declaration of Independence was held sacred by all and thought to include all; but now, to aid in making the bondage of the negro universal and eternal, it is assailed and sneered at, and construed, and hawked at, and torn, till, if its framers could rise from their graves, they could not at all recognize it. All the powers of earth seem rapidly combining against

him, mammon is after him, ambition follows, philosophy follows, and theology is fast joining the cry. . . .

"I think the authors of that notable instrument intended to include all men; they did not mean to say all were equal in color, size, intellect, moral development or social capacity. They defined with tolerable distinctness in what respects they did consider all men created equal—equal with 'certain inalienable rights, among which are life, liberty and the pursuit of happiness.' This they said, and this they meant. They did not mean to assert the obvious untruth that all were actually then enjoying that equality, nor yet that they were about to confer it immediately upon them. In fact, they had no power to confer such a boon. They meant simply to declare the right, so that the enforcement of it might follow as fast as circumstances should permit.

"They meant to set up a standard maxim for free society, which should be familiar to all, and revered by all, constantly looked to, constantly labored for, and, even though never perfectly attained, constantly approximated, and thereby constantly spreading and deepening its influence and augmenting the happiness and value of life to all people of all colors everywhere. The assertion that 'all men are created equal' was of no practical use in effecting our separation from Great Britain, and it was placed in the Declaration not for that, but for future use. Its authors meant it to be as, thank God, it now is proving itself, a stumbling block to all those who, in after times, might seek to turn a free people back into the hateful paths of despotism. They knew the proneness of prosperity to breed tyrants, and they meant that when such should reappear in this fair land and commence their vocation they should find left for them at least one hard nut to crack."

It seems to me that Lincoln, with his prophetic vision, must have foreseen this day when prosperity, breeding tyrants, should undertake to declare that the Declaration of Independence no longer applies to any-

body but the people whom we decide are capable of self-government.

The holding of tropical countries, the conquest of unwilling people, their retention in subjugation by a standing army, means of necessity not a republic where all the people must be consulted, but a despotism where the will of one man can march armies, declare war and act with great rapidity. A republic is naturally slow in action, because the people must be considered and must be consulted.

We took on many of the semblances of monarchy and of imperialism during the McKinley administration—concealment of facts from the people, denial of news and information, no knowledge of what is going on, no announcement of policy and purpose; and the excuse for it all was that if we should allow the people to know the facts there was danger of creating disapproval of the course of our monarch, and if the enemy should secure these facts it would be of some assistance to them. This is necessary in a monarchy. Press censorship too is a necessary adjunct of imperialism—one of the things our forefathers would not have tolerated for a day. And yet our people are becoming so numb that they are willing to accept it, and even criticize men who protest.

We annexed the Philippines forcibly. That, according to the principles laid down in the Declaration of Independence, is criminal aggression. We departed from the foundation principles of this country; violated its most sacred obligations to the world, and pursued the same brutal, unjustified policy that Great Britain has pursued wherever her conquering armies have mowed down naked savages with machine guns.

XXV. IMPERIALISM AT WORK.

The story of our criminal aggression in the Philippines makes bad reading for the liberty-loving American, but it is not the only shameful page in American imperial history—far from it. The United States has been following the course of empire for many a year. Since the days when the white man first came into contact with the American Indians, the English-speaking people of North America, after the example of their cousins across the water, have been robbing weaker nations of their property and calling it civilization.

Our first aggressive war after the Revolution, which made us a nation, was the war in 1846 with Mexico. We invaded Mexico without any provocation and stole from Mexico half her territory and annexed it to the United States. General Grant, in his Memoirs, writes:

"The occupation and annexation of Texas was, from the inception of the movement to its final culmination, to acquire territory out of which slave states might be formed for the American slave-holders. Even if the annexation of Texas could be justified, the manner in which the subsequent war was forced upon Mexico could not." (Vol. 1, p. 33.)

At another point Grant holds that "the war was one of conquest in the interest of an institution." (Vol. 1, p. 115.) Again he states: "It was an instance of a republic following the bad example of European monarchies in not considering justice in their desire to acquire additional territory." (Vol. 1, p. 32.) These are the sentiments of a man who was an officer in the American army that conquered Mexico and who later distinguished himself in the Civil War.

Abraham Lincoln, in the House of Representatives, voted against and denounced the war with Mexico as a great wrong. (See his speech in the House of Representatives, January 12, 1848. Later in the same year,

in a letter to J. M. Peck, Washington, May 21, 1848 (Complete Works, N. Y. Century Company, 1894, Vol. 1, pp. 120-122), he writes:

"It is a fact that the United States army, in marching to the Rio Grande, marched into a peaceful Mexican settlement, and frightened the inhabitants away from their homes and their growing crops. It is a fact that Fort Brown, opposite Matamoras, was built by that army within a Mexican cotton field. . . . It is a fact that when the Mexicans captured Captain Thornton and his command they captured them within another Mexican cotton field."

We went into Mexico because we had taken a fancy to some of Mexico's territory. After a war that lasted two years we helped ourselves to nearly nine hundred thousand square miles of land. That was the first great military triumph of the American imperialists.

Our next performance was the annexation of the Hawaiian Islands, and this was closely followed by the conquest of the Philippines. This robbery did not inure to the benefit of the laboring people of the United States, but exclusively to the advantage of the exploiting speculators and plunderers.

The Mexican War occurred more than seventy years ago. Between that time and the Spanish War exactly fifty years elapsed without a single act of aggression or a single war of conquest waged by the United States. Those were the years during which the slave oligarchy of the South was replaced by the power of an exploiting plutocracy of the North—the years that saw the rise to power of a new ruling class in the United States. The new rulers were busy with their internal affairs at first. By the time of the Spanish-American War, however, they had found their stride and they have been lengthening it ever since.

We had scarcely reduced the Philippines to subjection when the Roosevelt administration became involved in the taking of Panama, one of the most infamous episodes that ever disgraced American history.

The Republic of Colombia is situated on the north

coast of South America and embraced the whole of the Isthmus of Panama. It has a government modeled after that of the United States, and is composed of several independent states having governors and legislative bodies of their own. The Isthmus of Panama was the State of Panama, one of the states composing this Republic of Colombia.

In 1903, while Roosevelt was President, he negotiated with the French company that held the franchise for the purchase of the then uncompleted canal across the Isthmus and approached the Republic of Colombia with an offer of ten million dollars if they would cede to the United States a strip ten miles wide across the Isthmus. The cession was to grant sovereign rights and thus give the United States exclusive control over the Canal. At the same time this cession would cut the State of Panama in two. Colombia was afraid to deal with us for fear that we, having obtained a foothold at Panama, might take the whole country. She therefore declined to sell the Canal Zone.

Roosevelt thereupon sent our navy and our marines to Colon, which is the port on the Gulf side of the Isthmus of Panama, and secretly notified the government of the State of Panama that, if they would set up a republic and revolt against the Republic of Colombia, he would give them the ten millions of dollars for the canal strip, and would also see that Colombia did not send any troops to suppress their rebellion. The Governor of Panama agreed to this arrangement, and, at the proper time, started a rebellion to set up an independent government.

The Republic of Colombia sent sufficient troops to overthrow and suppress the rebellion, but Roosevelt had instructed the officers in control of the American marines not to allow Colombia to land any troops in Panama or to interfere with what went on there. Pursuant to their instructions, our officers refused to allow the Colombian troops to proceed to the scene of rebellion, but, instead, turned them back and compelled them to return to Colombia.

On November 2, 1903, the Department of State at Washington telegraphed the naval authorities at the Isthmus as follows:

"(a) Keep the transit free and uninterrupted. Should there be a threat of interruption by armed force, occupy the railroad line; prevent the landing of any armed force having hostile intentions, whether the government or insurgent, at Colon, Portobelo, or any other point. Prevent landing if in your judgment it might precipitate a conflict.

"(b) In case of doubt regarding the intentions of any armed force, occupy Ancon Hill and fortify it with artillery."

About 3:40 P. M. on November 3, 1903, Loomis, Acting Secretary of State, sent the following telegram to the person in charge of the United States consulate at Panama:

"We are informed that there has been an uprising on the Isthmus; keep this department informed of everything without delay." The Consul of the United States answered on the same day: "The uprising has not occurred yet; it is announced that it will take place this evening. The situation is critical."*

Later on the same day (November 3) at about nine o'clock, Loomis sent the following telegram to the United States consulate at Panama: "Troops which landed from Cartagena must not continue to Panama."

At 10:30 the same day, another telegram was sent to the same official: "If the cablegram to the Nashville (one of the war vessels then at Panama) has not been delivered inform her captain immediately that he must prevent the government troops from continuing on to Panama or from assuming an attitude which might result in bloodshed."

On the same day, November 3, the following telegram was sent to the Secretary of the Navy by the

* This correspondence will be found in House Document 8, 58th Congress, 1st Session, which contains the official correspondence connected with the Panama Revolution of 1903.

commander of one of the war vessels stationed at Colon:

"I acknowledge receipt of your telegram of November 2 (above referred to). Before receiving it, there were landed here this morning by the Colombian government about four hundred from Cartagena. There is no revolution on the Isthmus, nor any disturbance. It is possible that the movement to proclaim independence may take place in Panama this evening."

At about 10 o'clock P. M. of the same day, the Department of State at Washington received from the Vice-Consul of the United States in Panama the following telegram: "The revolt took place this evening at six; there has been no bloodshed. The government will be organized this evening and will be composed of three consuls and a cabinet. It is believed that a similar movement will take place in Colon."

On the same day General Tovar arrived at Colon with a battalion of sharpshooters from the Colombian army, a force more than adequate to handle the uprising on the Isthmus.

On the following day, November 4, Hubbard, commander of one of our war vessels at Colon, sent the Secreatry of the Navy the following dispatch: "Government troops (Colombian) now at Colon. I have prohibited the movement of troops in either direction. There has been no interruption of transit yet. I shall make every effort to preserve peace and order."

On November 6, the Secretary of State at Washington, telegraphed to the Vice-Consul in Panama in the following terms: "The people of Panama by an apparently unanimous movement have severed their political bonds with the Republic of Colombia and have assumed their independence. As soon as you are convinced that a de facto government, republican in form and without substantial opposition on the part of its own people, has been established on the Isthmus of Panama, you will enter into relations with it as the responsible government of the territory."

Here, then, was a rebellion by one state against a

sister republic—a rebellion which we helped to organize, a rebellion which was assisted by our troops and navy, which were sent in advance to help make the rebellion a success. Is there any more glaring chapter of infamous conduct in the treatment of one nation by another than this proceeding on the part of the United States? I know of nothing that parallels it in its infamy except the annexation of Texas, the acquisition of Hawaii and of the Philippines.

Let me cite one more illustration of the imperialistic methods employed by the United States in its recent dealings with Latin-America. Central America is a country about four times as large as the state of Ohio, and has a population of a little over five million people. The country is divided into five republics—Guatemala, Honduras, Salvador, Nicaragua and Costa Rica. During Taft's administration the United States intervened during a difficulty between some of the Central American states, in which Nicaragua was involved. The United States thereupon said: "Let us have a conference," and the result was that all of the states of Central America except Nicaragua sent delegates to Costa Rica to attend the conference, the object of which was to make perpetual peace in Central America.

The president of Nicaragua refused to send a delegate because the conference had been called by the United States, and he would not recognize the right of the United States to interfere in Central American affairs. Thereupon the United States sent down troops and drove him out of office and put a puppet in his place. Afterwards a meeting was held in Washington of the Central American states, and Nicaragua participated.

At that meeting a League of Nations was formed of the Central American republics, and it was agreed to arbitrate all their differences and thus to end war forever. There was to be an international court to decide the international problems of Central America. Carnegie hailed the proposition with delight, and furnished

one hundred thousand dollars to build a marble peace building in Costa Rica.

Meanwhile, the puppet we had set up in the place of the duly elected president of Nicaragua began looting the treasury of Nicaragua, and was finally forced to borrow money. The United States Government thereupon notified their puppet that the New York bankers would let him have all the money he wanted.

In 1912 the people of Nicaragua revolted against the government set up by us, and in order to support our man in authority we landed marines in the capital of Nicaragua, and we have kept them there, and our creatures have been ruling there ever since. Nicaragua contracted further debts, until at last they could not meet their interest payments.

In 1916 Nicaragua was very hard up, and we said to her: "Your case is practically hopeless. You cannot pay interest on your debt. The United States may some time want to build a canal up the San Juan River and through Lake Nicaragua to the Pacific Ocean. Give us the San Juan River and the lake, with the privilege of building the canal when we get ready to do it, and give us that splendid bay of Fonesca, and a little island for a naval base, and we will loan you the money to pay your interest and put things on a new basis." The result was that Nicaragua, having a president of our choice, maintained by our blue jackets, said: "Very good. We will give you the right of way and we will sell you the island, and will take the funds to pay the interest on the money we owe you."

Costa Rica claimed a partial right in the San Juan River, which is the boundary between the two nations. We were therefore proposing to purchase from Nicaragua a part of the territory belonging to Costa Rica. There was a long debate over the subject, and it was finally appealed to the United States during the administration of Grover Cleveland. Cleveland was the judge and gave a clear-cut decision that was just and equitable and satisfactory to all parties.

Another nation now came into the case—San Sal-

vador. The Gulf of Fonesca abuts Nicaragua and it abuts San Salvador. An island in that bay commands the shores of San Salvador, and San Salvador said: "We object to giving away any naval base in Fonesca Bay, even to the United States, because it threatens our coast." So the case came before the court at Costa Rica—before the League of Nations—and was thoroughly considered and a decision rendered, which was against Nicaragua and the United States and in favor of San Salvador and Costa Rica. Yet, Nicaragua, backed by the United States, refused to recognize the decision of the court. The League of Nations, formed to secure perpetual peace, vanished into thin air.

In 1917 the president of Costa Rica was overthrown, and another president took his place. The matter was referred to President Wilson, and he refused to recognize the rebellion which had occurred over the question of an election during which it appears that Timco, the new president, represented the majority of the people, At any rate, the matter was purely a local one. But Wilson said, "I will not recognize him." Thereupon, the Costa Rica Congress met and recognized the administration of the new president; but Wilson still refused, although the new president had been recognized by every Latin-American country except Panama, Nicaragua and Cuba—all three dominated by the President of the United States.

Recently we have purchased the Danish West Indies, which lie on the ocean side of the Caribbean Sea, without asking the consent of the people living there. We have taken over Santo Domingo; we collect the customs of the country; the finest building in the republic is our customs house, built with Dominican money by Americans and officered by Americans. Haiti, the other half of the island, without any declaration of war by the United States Congress, was seized by President Wilson and is now being administered in every detail by the United States. The excuse given for this action by the Wilson administration was that the Republic of Haiti owed money to the National City Bank of New

York. On their account the United States invaded the island, placed it under martial law, suppressed the newspapers, dispersed the legislative assembly, dominated the elections and murdered several thousands of the people.*

The Declaration of Independence holds that "All men are created equal; that they are endowed by their Creator with certain inalienable rights; that among them are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed." I should like to call Jefferson as a witness and have him tell us what he thinks of these disgusting perversions of American foreign policy.

Again and again the United States has fastened its eyes on a desirable piece of territory and then sent its armies to fulfill its territorial ambitions. Again and again the American flag has floated over battlefields where the victors were invaders from the United States, while the men, fighting desperately in defense of their homes, their children and their liberties, were the inhabitants of small, weak, defenseless countries that could not stand before the organized might at the disposal of the great northern empire.

The essence of imperialism is the extension, by armed force, of the rule of one people over another—as we extend our rule over the southwest; over the Philippines; over Haiti and over Nicaragua. Such armed conquest is recorded among the acts of imperialists in every age. During the past two generations our American imperialists have greatly extended the list.

One annexation leads to another annexation. One act of aggression is followed by a second. The principle of expansion established by Jefferson, and which he considered to be "beyond the Constitution," is acclaimed by Roosevelt with enthusiasm. Meanwhile, Roosevelt, who boasted of the taking of Panama from Colombia, scores "the feeble diplomacy of Jefferson's

* General Barnett placed the number killed by the American forces at 3,250.

administration" (Winning of the West, Vol. VI, p. 261) and refers to Jefferson and Madison as "peaceful men, quite unfitted to grapple with an enemy who expressed himself through deeds rather than words," and as "two timid, well-meaning statesmen." (Ibid. p. 271.) In 1803 the Constitution was still virile and respected. Even a President of the United States hesitated to transgress it. Exactly a century later a President could act as Roosevelt acted in Panama; could consider himself an exemplary American, and could taunt those who had tried to observe the Constitution during an earlier generation with being "peaceful," "timid," and "well-meaning."

Between Jefferson's hesitancy over the purchase of Louisiana in 1803 (a contiguous territory) and Roosevelt's eager seizure of Panama in 1903, there stretched a century that witnessed a slow, but steady shifting from the principles of Jefferson and the Declaration of Independence to the principles of Caesar, Napoleon, McKinley, Roosevelt, Wilson, the Platt Amendment and the Peace Treaty of Versailles.

Since the annexation of Hawaii in 1898 the United States has been speeding away from her old policies; abandoning her old positions and devoting herself to a venture in imperialism that drags her down to the level of the British Empire, the Japanese Empire, the Roman Empire, the great empire of Alexander, or of any other conquering people, past or present.

XXVI. BENEVOLENT ASSIMILATION.

During the five eventful years that intervened between the Hawaiian Revolution and the passage of the treaty of annexation, I did all that a man could do to prevent the American people from taking this fatal step. As a reward for my efforts I was denounced, vilified and condemned. The lawyers in the Senate, representing the business interests that were seeking the ratification of the treaty, put everything possible in the way of my work. Still I succeeded in blocking the ratification of the treaty for five years. Then came the break with Spain. When the Spanish War fever swept the country I knew that the fight on the Hawaiian Treaty was lost. Since that day in July, 1898, when the Hawaiian Treaty was ratified, for twenty-four years I have watched the progress of the United States along the path of empire. Through these years, likewise, I have done what I could to bring the real facts of the situation to the attention of the American people. It may be too late to save them from the fate that hangs over them, but at least I want them to know where they are going, and why.

I want the American people to know what to say when they are told that United States business men and United States soldiers are in the Philippines, Porto Rico, Santo Domingo and Panama to bless the inhabitants of these countries. I want them to know that it is an oft-repeated story—the plea of "helping the backward nations."

The cry that we have entered upon our imperial course in order to benefit the native populations in the lands that we have conquered or annexed is an old one. Dickens personified it splendidly in his character, the Reverend Mr. Chadband. Dickens' description of the encounter between the reverend gentleman and a street waif is as follows:

"Stretching forth his flabby paw, Mr. Chadband lays the same on Jo's arm and considers where to station him. Joe, very doubtful of his reverend friend's intentions and not at all clear but that something practical and painful is going to be done to him, mutters, 'You let me alone. I never said nothing to you. You let me alone.'

" 'No, my young friend,' says Chadband, smoothly, 'I will not let you alone. And why? Because I am a harvest laborer, because I am a toiler and a moiler, because you are delivered over unto me and are become as a precious instrument in my hands. My friends, may I so employ this instrument as to use it to your advantage, to your profit, to your gain, to your welfare, to your enrichment. My young friend, sit upon this stool.'

"Jo, apparently possessed by an impression that the reverend gentleman wants to cut his hair, shields his head with both arms."

How well Dickens knew human nature! How characteristically he describes the crafty gentry who use fair words to cover up foul deeds. Had he lived today and watched the practice of American imperialism, he would have been satisfied to let Mr. Chadband give way before his betters.

I have before me McKinley's proclamation to the Filipinos, and I have placed it side by side with a proclamation of the King of Assyria, written eighteen hundred years before Christ. A man would think that McKinley had plagiarized the idea from Asshurbanipal.

Ragozin, in his History of Assyria, gives a literal translation of a proclamation issued by Asshurbanipal to the people of Elam. The Elamites had gone to war. Rather, their country had been invaded by Asshurbanipal's forces, which had overrun the land, cut down the trees, filled up the wells and killed the inhabitants. Asshurbanipal captured the capital city of the Elamites, killed their king, took 208,000 of their people into captivity as slaves, drove off most of the cattle belong-

ing to those that were left, and then sent them this affectionate greeting:

"The will of the king to the men of the coast, the sea, the sons of my servants.

"My peace to your hearts; may you be well.

"I am watching over you, and from the sin of your king, Nabubelzikri, I separated you. Now I send you my servant Belibni to be my deputy over you; I have joined with you, keeping your good and your benefit in my sight."

McKinley writes to the Filipinos:

"Finally, it should be the earnest and paramount aim of the administration to win the confidence, respect and affection of the inhabitants of the Philippines by insuring to them in every possible way the full measure of individual rights and liberties which is the heritage of a free people, and by proving to them that the mission of the United States is one of benevolent assimilation, which will substitute the mild sway of justice and right for arbitrary rule. In the fulfillment of this high mission, while upholding the temporary administration of affairs for the greatest good of the governed, there will be sedulously maintained the strong arm of authority to repress disturbance and to overcome all obstacles to the bestowal of good and stable government upon the people of the Philippine Islands."

This reads very much like King George III of Great Britain, who said, with reference to the rebellious American colonists:

"I am desirous of restoring to them the blessings of law and liberty equally enjoyed by every British subject, which they have fatally and desperately exchanged for the calamities of war and the arbitrary tyranny of their chiefs."

Every conqueror, every tyrant, every oppressor, utters just such pious phrases to justify his course of action. The English-speaking people are particularly adept at this form of hypocrisy. Each act of aggression, each new expedition of conquest is prefaced by a pronouncement containing a moral justification and an

assurance to the victims of the imperial aggression that all is being done for their benefit.

What are we about in the United States? Why this rush to control the Philippines, Haiti, Costa Rica? The answer can be given in one word—exploitation! It is the search for markets; the search for trade; the search for foreign investment opportunities that is leading us to the South and to the East. The plutocracy is after more profits—that is the cause behind American imperialism.

The imperialists' aim is to assimilate, not the people of these possessions, but their lands and their wealth. If the people will work, the American plutocrats will exploit their labor as well as the resources of their respective countries. If the people refuse to work, they will be brushed aside, and men and women who will be more amenable to discipline will be imported from some other country to take their places. Who was responsible for the Hawaiian revolution and for the subsequent annexation to the United States? The American and other capitalists who had gained possession of the best land on the islands. What interests led the State Department to interfere in Haiti and in Nicaragua? The same business forces. Imperialism is imperialism the world over. Occasionally it is sufficiently enlighted to have some regard for the welfare of the exploited populations. At other times it is as blind and ignorant and ferocious as the policy of the British imperialists in China.

I spent a portion of the year 1898 in China and Japan, traveling extensively over both empires. At first hand, and from the best authority, I learned the policy that the British Government had pursued with regard to the traffic in opium, and I submit it as an excellent example of the way in which the empire builders act where they have an opportunity to make profits out of the wretchedness and suffering of a weaker people.

In Pekin, I had several conferences with Li Hung Chang, who was then an old man, having been the vir-

tual ruler of China for very many years under the Empress Dowager. In one of the conferences I asked Li Hung Chang why he did not stamp out opium smoking in China. He replied that he could not because the English Government refused to allow the Chinese to interfere with the trade. He then told me that in some of the provinces of China (for China is divided into a number of States) the Governors were raising poppies and making opium, in order to beat the English out of the trade in China. He said that he had tried to securre an agreement with the English under which he was to stop the raising of poppies in China provided the English would stop importing opium. This he had been unable to do, as the trade in opium was an English monopoly conducted by the Government itself.

According to his statement, the English had set apart a million acres of the best land in India for the purpose of raising poppies, and had compelled the people of India to raise the poppies and sell the product exclusively to the English Government. The English had built a factory to manufacture the opium, and every package that left the factory was decorated with the coat of arms of Queen Victoria. Opium was little used in China until the English introduced it early in the nineteenth century. The Emperor had protested against the opium trade, but the English Government insisted upon its right to sell opium to the Chinese. Finally, the Emperor of China sent his men aboard some English ships that were lying, loaded with opium, in the harbor of Canton and threw the poison into the sea. Seventy years earlier the American colonists had set the precedent for this Canton opium party by going aboard the British ships in Boston Harbor and throwing the tea overboard. Today the anniversary of the "Boston Tea Party" is one of the fete days of the people of New England. The British liked the exploit as little as the other, however, and they began a war with China (1840). This war, sometimes called the First Opium War, went against China, and she was compelled to cede Hongkong to the British, to open four

other ports to British trade, and to pay an indemnity of 5,525,000 pounds sterling into the British Treasury. The matter came in for a good deal of comment in Parliament, but eventually it was dropped.* In 1857 a new controversy arose, and the Emperor again undertook to exclude English opium, giving as the reason that it was destroying his people; that the drug was a deadly drug and was causing great injury, and he enacted laws making it a criminal offense for the people of China to smoke opium, or for anyone to import the drug. In connection with this campaign he confiscated the opium that the English had already imported and imprisoned the people who handled it.

England thereupon declared another war upon China which was called the Second Opium War (1858-1862). Again China was defeated. Canton was bombarded; Pekin was threatened; and, after a disastrous struggle, the Chinese made a treaty under which several new ports were opened to British trade; a British Ambassador was received at Pekin, and China paid an indemnity of 4,000,000 pounds sterling to the British. After each war, the British were able to bring opium into a few more Chinese ports.

Li Hung Chang spoke with great bitterness of this conduct on the part of a so-called Christian nation, and went quite largely into the question of the injurious use of opium. He also presented me with a copy of the treaty made between China and Japan after the China-Japanese War, which had occurred only a few years before I visited Pekin. This treaty was written in English and Chinese, and the book handed me contained Li Hung Chang's picture and autograph, and the entire record of the conversation held at Shimonoseki between the ruler of China and Count Ito, the representative of Japan.

* "Ashley even brought forward a resolution for the suppression of the opium trade, but withdrew it after a debate turning on the inability of the Indian Government to part with a revenue of 1,000,000 pounds sterling or more."—The History of England. Sydney Law and L. C. Sanders. Longmans. 1913, Vol. 12, p. 41.

The terms of the treaty compelled China to cede to Japan the Island of Formosa, which had an area of 13,000 square miles, and was inhabited by four million Chinamen. In the conversation which preceded this treaty, Count Ito asked Li Hung Chang why he did not stamp out the opium traffic in China, as he had promised to do at Tientsin ten years before. Li Hung Chang answered that he could not do it because the English Government would not allow it. "Furthermore," said he to Count Ito, "if you take the island of Formosa and stop opium smoking, it will result in a war with England." To this Ito replied: "That may be true, but we will stamp out opium smoking even if it does result in war."

When I heard that story, told impressively by a member of the race that had suffered such wrong at the hands of British imperialism, I could not help comparing it in my mind with the participation of America in the slave trade, and wondering what new infamies the imperialist policy in which we were then, and still are engaged, would lead us to in the course of the present century.

The British had nothing against the Chinese. They sold them opium because there was money in it. If there had been no profits in the trade there would have been no opium war. Our imperial ventures, like those of the British, are financial. We are in the imperialist business because it pays the plutocrats to be there.

I never realized this so completely as in the winter of 1900, when a delegation from Porto Rico visted the city of Washington for the purpose of having the products of Porto Rico admitted free of duty to the United States. The delegation came before the Committee on Insular Affairs, of which I was then chairman, and asked for a hearing. I therefore called the members of the committee together so that they might hear the Porto Rican delegation present its case.

There were five members in the delegation—two Englishmen, two Spaniards and a Frenchman. I had one of the Englishmen take the stand first and asked

him what it was he desired the Congress of the United States to do. He answered that the delegation desired to have the products of Porto Rico—sugar, tobacco and tropical fruits—admitted to the United States free of duty.

I then asked him. "Are you a citizen of the United States?"

"No," was his reply. "I am a citizen of England, but a resident of the United States."

"Are you going to become a citizen of the United States?" I asked. He replied that he was not.

I then asked what interest he had in Porto Rico. He answered that he owned 200,000 acres of land.

"You are working your land at the present time?" I asked.

"Not to any great extent," he replied. He then explained that the land could raise great crops of sugar that might very nearly supply the United States if the industry were encouraged by having the sugar admitted free of duty.

In answer to a question about the people that were occupying his lands in Porto Rico, the Englishman explained that they were "natives".

"Are they your tenants?" I said to him. "Do they rent the land from you?"

"Yes," he answered. "They live in single-room houses as a rule, elevated from the ground on posts, one post at each corner. As a rule the houses are from six to eight feet from the ground." He then told us how the natives built a floor on top of these posts and then made a palm-leaf hut in which they resided. For support they planted yams and dry-land bananas and raised chickens and pigs. They paid their rent for the use of the land by a certain number of days' work on the Englishman's plantation.

To my question as to the character of the people, he replied that they were "good people." When I asked him whether they could read or write, he said they could not, since there were no provisions on the island for their education.

I then put the other Englishman on the stand. He told the same story. After that I questioned the two Spaniards and the Frenchman. They all owned several hundred thousand acres of land, which were being used more or less in the way already described. All spoke of the native inhabitants as "good people," as mostly white people, and as entirely illiterate.

I asked if there were any of the natives who owned their own land. All agreed that there were very few such.

After I had taken their testimony in full, and had showed up the enormities of the economic system then existing in Porto Rico, I told them that the hearing was closed; that as long as I remained chairman of the Committee on Insular Affairs they would get no legislation enacted admitting their product free of duty; that if I could have my way about it I would cancel their title to every acre of the lands of Porto Rico and make the title out to the people of the United States. That I would then give an inalienable title to every person in Porto Rico for all the land that he could actually use, and levy taxes upon them for the compulsory education of their children.

"What!" they exclaimed. "Take our property without paying us for it?"

"It is not your property," I answered. "The land of Porto Rico belongs to the people who inhabit it and who work it. I would not pay you a dollar for your pretended title or allow you to remain there for one day to exploit the inhabitants of that island or to hold a single acre of that land in excess of the amount actually occupied and cultivated by you in person."

Of course, when my term of office expired in 1901 these foreign highwaymen, waiting to prey upon the people of Porto Rico, returned to Washington and secured the legislation they desired. They also secured control of the Government of Porto Rico, and made arrangements for a large armed police force to preserve law and order. They also appealed to Congress to put a duty on Cuban sugar in order to prevent it

from competing with Porto Rican sugar. They then returned to the islands and began their work of "economic development."

About the first thing they did was to cancel the leases of the inhabitants who occupied the land. Then they compelled them to work for wages, raising sugar and tobacco, and they refused them the use of any land to raise yams, bananas, pigs and chickens, and they fixed the wages at 50 cents a day in silver. Little provision was made for the education of the people, and the wages were so low that, with their large families, the laborers found it impossible to buy adequate food and clothing. Consequently, their children grew up without clothes—ran naked in the fields and even in the towns—and were put to work as soon as they grew old enough to be of use.

Shortly after this beautiful plan of "economic development" was put in effect, the owners of Porto Rico began to boast of the great things they had done for the people. They told how they had furnished employment; had put up the mills and factories and brought in the machinery to make the sugar out of the raw cane, and to manufacture the tobacco, so that Porto Rico exported $150,000,000 worth of the product per annum to the United States. With it all, the miserable peons of Porto Rico went naked and starving in one of the richest spots of the whole world.

After the first few crops had been harvested, the laborers of Porto Rico went on strike, leaving the cane to sour in the field. Thereupon these foreign pirates, the English, the Spanish, the French and the American planters, called in the police force and the armed men of the United States and shot up the strikers and arrested them and put them back to work in the fields —those they had not wounded or murdered. Thus, economic development pursued its imperial course in Porto Rico, where conditions are as bad today as they were when we took possession of the island twenty-two years ago, and always will remain as bad until the

system of exploitation at home and abroad is abandoned and labor is given its just reward.

Lest anyone should think that I am exaggerating, I should like to call attention to a report recently published by the United States Department of Labor, giving a full description of the working and living conditions in Porto Rico. (Labor Conditions in Porto Rico, by Joseph Marcus, Washington, 1919.) The special investigator who wrote the report for the Labor Department, as a result of a careful study of conditions, states that:

The American flag has been flying over the island of Porto Rico for twenty years, yet the percentage of illiteracy is still abnormally high. During the years 1917 and 1918 "only 142,846 children out of a total of 427,666 of school age actually enrolled in the public schools." "The difficulty," says Mr. Marcus, "lies in the bad economic condition" in which the worker finds himself. "Porto Rico is an island of wealthy land proprietors and of landless workers. There is a law in Porto Rico prohibiting any single individual from owning more than 500 acres of land. * * * With the American occupation the price of cane land rose very high—from thirty to three hundred dollars per acre—and this induced many a small holder to sell his land and join the ranks of the laborers." Under the circumstances, the law limiting land holdings was not enforced, and at the present time "of the best land of Porto Rico, 537,193 acres are owned and 229,203 acres are leased by 477 individuals, partnerships, or corporations from the United States, Spain, France and other countries." The total wealth of the island is in the hands of fifteen per cent. of the population. Fourteen per cent of the wealth is in the hands of native Porto Ricans. Sixty-seven per cent is owned by Americans. Four-fifths of the people of Porto Rico live in the rural districts. They build their little shacks on land that does not belong to them; they work when work is to be had on the nearest plantation; the men dress in a pair of trousers, a shirt and a straw hat. "Throughout

the island thousands of children of the ages from one to seven years go naked, in the towns as well as in the rural districts."

When the laborer is at work he and his family share the following diet:

> Breakfast—Black coffee, without milk, and quite often without sugar.
> Lunch—Rice and beans, or rice and codfish, or codfish and plantins.
> Supper—The same as lunch.

This diet holds good while the laborer has steady work, but, during a large part of the year—five or six months—there is no work. "How he pulls through the slow season is a mystery to many who are interested in the welfare of the laborer."

The Porto Rican laborer is a sick man. "Hookworm disease, anaemia, etc., are very widespread."

The low energy value of the diet, together with the prevalence of sickness, has so undermined the endurance of the Porto Rican laborer that a number of experiments in scientific diet, carried on by the employers themselves, resulted in increasing the work capacity of the men from 50 to 100 per cent. Mr. Marcus finds that, with an increase in wages which would enable the laborer to purchase some meat and dairy products, the charge of laziness and inefficiency, which is frequently lodged against the workers, might well be withdrawn.

The investigation upon which Mr. Marcus bases his report was made during the year 1919. At that time machinists in the sugar mills received about one dollar per day. Laborers in the busy season were paid ninety cents per day; in the slow season seventy cents. The working day is from ten to twelve hours. On the tobacco plantations men's wages during the busy season are from sixty to eighty cents a day and, during the dull season, from forty to sixty cents a day. Women receive from thirty-five to forty-five cents a day in the busy season and from twenty-five to thirty-five a day

in the dull season. On the coffee plantations wages are lower. Men receive from fifty to sixty cents per day in the busy season and from thirty-five to forty-five cents per day in the dull season.

Mr. Marcus reports that the needle industry is making considerable headway in Porto Rico. Men's and children's suits are manufactured by women operators who earn from three dollars and fifty cents to five dollars per week. Embrodiery manufacturing, lace-making and drawing work pay from one dollar and twenty-five cents to four dollars per week. The work is done exclusively by women.

Detailed descriptions are given of living and working conditions in these and other industries. Enough has been said here to indicate very clearly that the American people, having assumed the responsibility for directing the lives of 1,118,012 Porto Ricans, are far behind the standard of "health and decency" which civilization prescribes as the minimum below which human being cannot be expected to live and to work.

Here are two examples of the work of modern empires. Great Britain fought two wars in order to force the drug habit on China. The United States took Porto Rico away from its "Spanish oppressors" and then turned the island over to absentee landlords, whose sole interest in the island was to make out of it all the money they could. This is imperialism at its worst—hard, grasping, western imperialism. With it I should like to contrast an instance of imperialism among the "heathen" of the Orient.

Japan took the Island of Formosa from China about 1897. Formosa is a very fertile island lying off the coast of China in the Pacific Ocean. Its population is almost exclusively Chinese, and it has been a part of the Chinese Empire for over four thousand years. The inhabitants nearly all smoked opium which had been forced upon them by England as a result of the two "Opium wars." When Japan compelled China to relinquish her right to the Island of Formosa (she had already occupied the island during the war) she sent

eight hundred surveyors to the island and surveyed all of the land in Formosa. When the survey was completed she made maps showing who occupied each tract and describing the title by which it was held.

The Japanese found that the land in Formosa was owned in great tracts by Chinese mandarins, most of whom lived over in the cities on the main coast of China, many of them in Amboy. The holdings of these absentee landlords were from 200,000 to 500,000 acres. On the island itself practically all of the 4,000,000 inhabitants were landless and were paying rent to owners who lived abroad. No provision whatever was made for the education of the Formosan children.

Japan at the same time registered every opium smoker in Formosa and ascertained the amount of opium he smoked each day. She also destroyed every poppy field in Formosa and built an opium factory and purchased the raw opium from the Indian (English) Government to supply the registered opium smokers each day with the amount they smoked. She then passed a statute making the raising of poppies a crime and making it a criminal offense for any person except a registered opium smoker to have any opium in his possession. Consequently, when all the registered opium smokers died off, opium smoking was wiped out all over the island.

Having surveyed the land and ascertained just who owned it, Japan passed a law taking the title of the Island of Formosa from the landlords and conveying it to the Empire of Japan. As compensation to the landlords, Japan issued 4,000,000 yen of Formosan trust bonds and divided these bonds arbitrarily among those who had owned the island. Then she gave to each farmer who tilled the soil in Formosa the land he occupied and used, as well as the improvements which he already owned, and accompanied this gift with a provision that the farmer might dispose of his improvements to any other person who actually used and occupied the same, or that his improvements might descend to his children. In the case of the land, however, he

was denied the right to alienate any portion of it. The Japanese also established schools all over Formosa for the compulsory education of the people.

I cite these facts because they present a picture of imperialism at its best—as it was practiced by Japan —in contrast with imperialism at its worst, as it is practiced by Great Britain and the United States. At bottom, however, imperialism is imperialism and is the same in principle, wherever it is found.

After all, why talk nonsense? Why lie to others? Why seek to deceive ourselves? An imperial policy has as its object the enrichment of the imperial class. The plain man—the farmer, the miner, the factory worker —is not the gainer through imperialism. Rather the monopolist, the land owner, the manufacturer, the trader, the banker—who have stolen what there is to steal at home, devote their energies to the pursuit of empire because the pursuit of empire gives them an opportunity to exploit and rob abroad.

We annexed Hawaii, not to help the Hawaiians, but because it was a good business proposition for the sugar interests. We took the Philippine Islands because the far-seeing among the plutocrats believed that there was a future economic advantage in the East. For the same reason we are in Haiti, Costa Rica and Panama. Each step along the imperial path is taken for the economic advantage of the business men of the United States and at the expense of the liberty and the lives of the natives over whom we secure dominion.

XXVII. THE U. S. AND THE COURSE OF EMPIRE.

The United States has entered upon the course of empire. There is no limit to imperial policy; if we can justify the taking of the Philippines and governing them against their will—if we can justify conquering countries where our Constitution cannot go—our armies will soon be marching across Mexico, down the Isthmus to South America, leaving death and desolation in their track, rearing upon the ruins of those free governments a tyrannical, despotic power.

Let a free people once set out on an imperial course and the institutions that are dear to every lover of liberty disappear like April snow.

Imperial power cannot possibly be maintained without an immense navy and a standing army. Do not the very existence of such an army and such a navy constitute a denial of all that the old America stood for?

Armies and navies are fighting machines. If they are to be successfully operated there must be one man to whom is given supreme control. If there is to be an empire, there must be a dictator, so that he can move with rapidity; so that decisions can be made in a day and armies marched and ships moved where danger is seen. Is despotism what the people of America desire? If so, they will have it—indeed, they now have it under the imperial realities that are cloaked under the guise of republican names and republican traditions. Is it freedom that the American people seek? Then they must abandon the course of empire.

It is impossible for a republican form of government to function as an empire. Republican institutions invariably are corrupted when imperialism is established. Creasy, in his Fifteen Decisive Battles of the World, puts the matter tersely in these words:

"There has never been a republic yet in history that

acquired dominion over another nation that did not rule it selfishly and oppressively. There is no single exception to this rule, either in ancient or modern times. Carthage, Rome, Venice, Genoa, Florence, Pisa, Holland and Republican France, all tyrannized over every province and subject-state where they gained authority."

Imperialism is tyranny and in the process of destroying liberty abroad you crush it effectively at home. Senator Hoar saw the peril. When the question of imperialism was up for discussion in the Senate he said (January 9, 1899):

"We have now to meet a greater danger than we have encountered since the Pilgrims landed at Plymouth—the danger that we are to be transformed from a republic, founded on the Declaration of Independence, guided by the counsels of Washington, into a vulgar, common-place empire, founded upon physical force."

Read history! The record is unmistakable.

Among the plutocracies and the monarchies of the past, whenever property and power have been gathered into the hands of the few and discontent has appeared among the masses, it has been the policy to acquire foreign possessions, to enlarge the army and the navy, so as to keep discontent occupied and thus distract its attention. A foreign war has cut many a domestic tangle. The recent record of the United States in its acquisition of foreign territory, coming as it does with an increase of the army and the navy, tells the sinister story of the decision which the ruling classes of America have made to pursue an imperial policy.

The growth of the army and navy of the United States during the past twenty years has been phenomenal. When I entered the Senate, the authorized strength of the army was 28,417 men and the annual army appropriation was $44,582,838. Today the authorized strength of the army is 175,000 and the appropriation requested by the War Department is $935,000,000. The navy, which received an appropriation

of $22,006,206 in 1890, is asking this year for $695,000,000. A generation has seen the army and navy of the United States increased from defensive organizations to the powerful, imperial fighting machines—the dogs of war, larger, stronger and better fed than those belonging to any other nation in the world.

Rome was organized as a republic. For the first six hundred years of her history she had the best government then existing on the globe. To be a Roman citizen was a greater honor than to be a king in another country.

Rome consolidated her power until she ruled all Italy. Then she began to spread out along the northern coast of the Mediterranean to reach into Asia Minor and Africa. But, when the policy of acquiring and ruling peoples who could have no part in her republican form of government began, Rome ceased to exist as a Republic and became an Empire. From that point the historian dates the ruin of her government, and the misery of her population. When Rome had acquired Egypt and Asia Minor with their populations of low consuming power and great tenacity of life, the Roman citizen found that he could not compete against them in the growing of crops or in other industrial enterprises.

The Roman of those days was like the Anglo-Saxon of today—a man of great vitality, requiring excellent nurture, the best food and plenty of it. When he came into competition with the Asiatic races, people of low vitality and with a great tenacity of life—human machines who could subsist upon the least food and perform the most work—the Roman farmer was destroyed, the foundation of power was shattered and the Roman Empire passed away.

When the Roman Republic was established most of its people were farmers. Their farms did not average more than twelve acres in area, indicating a dense rural population. No foreign foe could march through that stockade of individual farm owners to the walls of Rome. They were successful farmers and prosper-

ous, and they made mighty soldiers. Cincinnatus left the plow to lead his victorious legion. This was the situation during the early days of the Roman state. During the first century of the Christian era centralization of wealth power revolutionized this simple life of the small farm. The lands were absorbed by the wealthy; the mines of silver and gold in Spain and Greece had been worked out; the old republic disappeared and in its place was erected the structure of an empire.

James Bryce says of this period of Roman history: "The ostentation of humility which the subtle policy of Augustus had conceived, and the jealous hypocrisy of Tiberius maintained, was gradually dropped by their successors until despotism became at last recognized in principle as the government of the Roman Empire. With an aristocracy decayed, a populace degraded, an army no longer recruited from Italy, the semblance of liberty that yet survived might be swept away with impunity. Republican forms had never been known in the provinces at all and the aspect which the imperial administration had originally assumed there soon reacted on its position in the capital. . . . This increased concentration of power was mainly required by the necessities of frontier defense, for within there was more decay than disaffection."

Great Britain rules over the mightiest of modern empires, but the British people have not been enriched by her conquests. Study the facts with regard to her laboring population. Compare the English factory worker of today with the English yeoman of four or five hundred years ago—compare them in health, in vigor, in quickness of eye and hand, in love of life—in anything you will, and the result will be to the disadvantage of the present-day Britisher.

Where are the people of Europe best off at the present time? Is it in Great Britain—mistress of the sea and ruler of territory scattered over six continents? Not at all! It is in little Switzerland, Holland, Norway. Where is there the best distribution of wealth,

the best opportunity for the individual man? Where is there the least poverty, misery and distress? It is in Switzerland and Norway. It is not in England. Her conquests have bestowed no blessings upon her people. Two-thirds of them own nothing, while about a quarter of a million own all the property of the British Islands.

What blessings has England conferred upon her colonies that would justify the adoption of her policy by the United States? Her course in Ireland has been one of the blackest pages in the history of the world—a record of starvation and plunder.

If England will govern Ireland as she has done, what right has she to claim that she can govern any country? What is there in England's example that can justify us in undertaking the same work?

England began with Ireland. She followed with India. How has that country fared? In India, the English have made practically no converts to Christianity. Neither have the natives learned the English language. A great army, paid for by the native governments themselves, has been maintained to hold the Indian people in subjection and to prevent them from securing modern arms and modern implements of destruction. Indian raw materials cannot be manufactured at home because of the taxes imposed by the British authorities. Instead, they are shipped, in English ships, to Great Britain; manufactured and underrated by British manufacturers and merchants, and then transported back to India and sold to the Indian people. As trader, manufacturer, merchant, insurance agent and banker, Great Britain has profited, and India has paid.

What blessing has England conferred upon India? No blessings! On the contrary, she has taken away the food supply of the native population and left millions to die of starvation.

At the time of annexing the Philippines President McKinley said that moral reasons compelled us to stay in the Philippines, and that we, under God's direction,

owed a duty to mankind, and more of similar cant. Here is what John Morley, the English statesman and writer and biographer of Gladstone says with regard to England's policy in this same connection.

"First, you push on into territories where you have no business to be and where you promised not to go; secondly, your intrusion provokes resentment and, in these wild countries, resentment means resistance; thirdly, you instanly cry out that the people are rebellious and that their act is rebellion (this in spite of your own assurance that you have no intention of setting up a permanent sovereignty over them); fourthly, you send a force to stamp out the rebellion; and, fifthly, having spread bloodshed, confusion and anarchy, you declare, with eyes uplifted to the heavens, that moral reasons force you to stay, for if you were to leave, this territory would be left in a condition which no civilized power could contemplate with equanimity or composure. These are the five stages in the Forward Rake's progress."

There is not a word in that passage that does not accord with the excuses given by those American imperialists who are in favor of conquering and ruling unwilling peoples.

Does the United States wish to follow the British example? From it no money will come into the Treasury for the benefit of the people of the United States. The laborers of this land, from whom we raise our taxes in the same way that England raises hers—by a per capita levy on consumption—are invited to contribute this taxation to support an army of occupation and subsidize ships to carry the trade, in order that the people in the outlying territory may be exploited by the trusts of the United States.

There is another reason behind the imperialist program that is being followed by the United States. It is well when people become restless and dissatisfied with the conditions which exist; when the workers of a land learn to believe that they are not receiving their just share of the products of their toil, to give them

amusement—to distract their attention by distant problems—to supply them with bread and circuses, as in Rome, or to do as England has done—begin the killing of men in some far-off land and then appeal to the patriotism of the folks at home. By such means are the minds of the people diverted from the pressing economic and social problems, the right solution of which is essential to the happiness of the toilers of the nation.

There is no justification in history for the imperial course upon which we have entered. Rather, every page in history is a warning to us—that we desist before it is too late. And why should we not desist? What reason can be given for our imperial policy save the desire of the ruling class to plunder and invest?

The area of this country is great enough, if we would maintain free institutions under a republican form of government, for in a republic, founded upon the principles of equality and universal suffrage, it is essential that the individual voter shall have a knowledge of, and be familiar with, the methods of government; and if the country is so great and the problems of government are so complicated that it is impossible for the individual voter to acquire this familiar knowledge, how is it possible for him to vote intelligently? How is it possible for him to know that by his vote he is maintaining free institutions? In the past, republics have been of quite limited area—a single city perhaps—with a comparatively small population. The founders of this government, recognizing the difficulty of maintaining as a unit a republic of extensive proportions, inaugurated the Federal system, a union of sovereign states, hoping thereby to extend self-government over vast areas and to maintain at the same time the purity of republican principles by making each sovereign state a free republic.

For the purpose of unifying a vast area within the bounds of a republic it was enacted that the central government, the Government of the United States, should be a government of limited powers, a govern-

ment possessing only such powers as were conferred upon it by the Constitution. All other sovereign rights —all other powers common to a sovereign—were retained by the States themselves, or by the people themselves as inhabitants of the States. If we follow our present policy of acquiring tropical countries, where republics cannot live, and where free, self-governing people have never lived since the world had a history, we overturn the theory upon which this government was established.

The whole theory of our government precludes centralization of power; the whole theory of our government sustains the idea that the United States as a government shall only do those things which cannot be done with equal effectiveness by the states or by the individual citizens.

But our Federal system has not accomplished the purpose for which it was created; it has not fulfilled the expectation of its authors.

Before we acquire more territory; before we start on a policy of imperialism and of conquest, it is our duty to inquire whether our area and population are not already too great. Centralization went on rapidly after the War of the Rebellion. It was hastened by the Spanish War. It received an immense impetus during the World War. As a result, our people are looking to the Government of the United States as the source of all power and the channel through which all relief must come. The American people have ceased to rely on the States. They are forgetting how to rely upon themselves.

This concentration of power in the hands of the Federal Government has been followed by encroachments by the Federal courts upon the sovereignty of the states and upon the legislative and executive branches of the government itself, until a point has been reached in our public life where the courts are almost supreme.

Within the past fifty years the wealth of the United States, which was once fairly distributed, has been ac-

cumulated in the hands of a few, so that five per cent of the people own three-quarters of the nation's wealth, while two-thirds of the citizens—the workers—are practically without property. Recent events point unmistakably to the fact that the few men who own nearly all the wealth have gained control of the machinery of public life. They have usurped the functions of government and established a plutocracy.

Those who favor an imperial policy for the United States, who favor a departure from those customs and practices that have created the proudest pages in our history, say it is manifest destiny. Throughout all recorded time manifest destiny has been the murderer of men.

Manifest destiny has caused the strong to rob the weak and has reduced the weak to slavery. Manifest destiny built the feudal castle and supplied the feudal lord with his serfs. Manifest destiny compelled republics to go forth and conquer weaker races and to subject the conquered people to slavery; to impose taxation against their will, and to inflict upon them forms of government which they considered odious. Manifest destiny is the cry of the strong in justification of their plunder of the weak. This cry sent forth the nations of Europe to divide among them the weaker nations of Africa and Asia.

If we pursue the course to which "manifest destiny" is alluring us; if we annex weaker nations to which we cannot apply our system of government; if we acquire territory in the Tropics where men cannot live who are capable of self-government, then republican forms cannot exist in those distant possessions. The vigorous blood, the best blood, the young men of our land, will be drawn away to mix with distant races and to hold them in subjection. Gradually the reflex of the conquest and of this tyrannical government will work its effect upon our own people, and free institutions will disappear from this land, as well as from the land we conquer and undertake to hold in subjection.

Whenever England concludes to go upon an expedition and plunder some of the weaker nations of the world, she makes her first appeal to patriotism. Then, step by step, she goes on until she has committed the wrong, has transgressed the rights of the natives; has aroused their resistance, and then she declares that the flag has been fired on, and that no Englishman must question the right or wrong of what is being done until the enemy is defeated and the country annexed.

Contemplate the course of every republic in the past; watch its surrender to the lust of power and the greed for wealth; then turn to our own shores, examine our present conduct and see our flag go down in misery and in shame. The glory of this republic has been that we have offered an asylum to the oppressed and a hope to mankind which has been followed wherever freedom has flowered throughout the world. Shall we stain that record? Shall we abandon history? Shall we become one of the robber nations of the world?

The United States is on the wrong course—the course that leads to national disgrace and finally to national destruction. The wealth lords who desire imperialism are not the American people. The jingoes and exploiters who are out for conquest and for annexation are not the American people. They are merely the representatives of a ruling class that would use the American people to fill their own money bags.

We have a task—clear and well defined.

Our duty is to educate and elevate the population we already have, and thus perpetuate our institutions. In the past every republic has sown the seeds of its final destruction by gratifying the desire for conquest and for glory. Let us profit by their example and pursue a course that will make the masses happy and prosperous rather than dazzle and allay the mutterings of misery and discontent by the march of armies and the glory of conquest.

XXVIII. THE PROFITEERS.

The test of a man or of a social system is the way he acts in a crisis. The great war was the crisis that tested American capitalism and that showed it up for what it was—a brutal game of profit-making at the expense of the people who work and pay.

When the war broke out in Europe, I knew that the American business men would take advantage of the emergency in which Europe found herself to charge the highest possible price for the worst possible product and when, three years later, the United States decided to enter the war I was equally convinced that the American business men would rob their own country of every farthing on which they could lay their hands.

Not for a moment was I deceived by the glib talk of "patriotism" that sounded from every Chamber of Commerce and every business office and banking institution. I had dealt with the armor-plate contracts in the United States Senate twenty years before; I had investigated the sickening details of the beef contracts made by the packers with the government during the Spanish war. Besides these details and beyond them, I knew the whole business system for what it was—a device for enabling the strong to rob the weak; for permitting the capitalist to coin every private or public need into profits.

A reference to the situation which was unearthed in the Senate away back in 1897 will give the justification of the conclusion I have reached with regard to the capitalist system, as such.

In the closing days of the 54th Congress a question arose regarding the cost of armor-plate. After an exhaustive discussion, in which great quantities of evidence were submitted, the question was put to a vote of the Senate in this form:—Shall the Senate vote for

armor-plate at $300 or $400 per ton? Only twelve Senators favored the $400 limit. They were Aldrich, Allison, Brice, Cullom, Gibson, Gorman, Hale, Hawley, McMillan, Murphy, Squire and Wetmore. There were 36 votes cast on the other side, of which mine was one.

The evidence seemed perfectly clear. We had summoned experts and ascertained that the cost of labor and materials entering into a ton of armor-plate was about $160. This figure included a charge for "keeping plant ready for use," a charge for "shop expenses," a charge for "office expenses and contingencies," and a charge for "administration, superintendence and engineering, besides the charges for "materials in ingots," "materials consumed in manufacture" and for "labor." Ten per cent was allowed for re-pipings and 10 per cent for rejected plates, making a total of about $200 per ton. The company claimed a return on the "investment," but it was proved that profit on the first armor-plate contract secured by these companies had been equal to the entire cost of the plant. An allowance of 5 to 10 per cent was made, however, for repairs and maintenance, and the total cost of a ton of armor-plate was brought up to $225.

At that figure, the profit to the companies on the 8,000 tons of armor would be about $600,000 on a $300 figure. Under the circumstances the Senate voted 36 to 12 for the $300 figure.

After Congress had adjourned the Secretary of the Navy endeavored to get bids at $300. None was forthcoming. Instead, representatives of the companies waited on him and advised that they could not make the plate for less than $425—a figure which allowed for a profit of about $1,600,000 on the contract.

An amendment was therefore made to the deficiency appropriation bill (July 13, 1897, p. 2,553) allowing for armor-plate at that price.

"Last winter we appropriated money for the purpose of buying armor-plate and limited the price to $300 a ton. The evidence taken before the Committee on

Naval Affairs showed conclusively that the plate could be made for $250 a ton. The two armor-plate factories, being in collusion and having been in collusion as to every bid they have had heretofore, as was shown by the evidence before the Committee on Naval Affairs, refused to make the plate for $300, but insisted that they should have $425.

"Instead of bringing in a proposition to build a factory and make the plate ourselves and thus protect the interests of the government, the Committee on Appropriations propose to accede to the demands of these men, who are in a trust to plunder the Treasury, and they bring in an amendment to pay them $425, thus cowardly surrendering to this admitted combination. It seems to me too disgraceful to be tolerated."

(It was shown that the two plants could be duplicated at one or one and a half millions each.)

These facts and many others that had come to my attention during the years of my public life led me to look behind the patriotic professions of the business leaders—their talk about Belgium and the Lusitania, and "Humanity" and "Democracy"—to see what were the real reasons that were leading the United States into the war. I did not have to look far before discovering the answer. American banks, like the Morgans, and American manufacturers, like the Bethlehem Steel Company, had granted large extensions of credit to the Allies and, if the Allies lost, they were bankrupt. Furthermore, they saw an unequaled opportunity to strengthen their hold in the United States and to run a pipeline into the public treasury. The entrance of the United States into the war would validate their European speculations at the same time that it gave them tens of billions in American war contracts.

By the time these facts were clear in my mind, the United States had entered the war. I opposed the step with all of the energy that I had, and, after it was taken, I said very frankly what I thought about it in the following newspaper interview that appeared in the Sioux Falls "Argus Leader" of October 6, 1917:

"There is no excuse for this war."

"We should back right out of it."

"We never should have gone into a war to help the Schwabs make $40,000,000 per year."

"This man McAdoo said here that we are in the war from principle to protect our right to trade on the open sea. Not an American was killed except on ammunition boats, and they had no right to be there."

"Sympathy is being extended to Belgium. She deserves none. For fifty years Belgium robbed the Congo. This made Belgium wealthy, but three-fourths of her people did not share in this wealth. If she is now indemnified it will go to the men who robbed the negroes of the Congo."

"One hundred years ago we fought out the alien and sedition law. The party back of it failed at the next election. The same struggle is on again."

"People desire to know if they are living in the United States or in Russia."

Since the day that I refused to take sides with Mr. Wilson in his 1912 campaign he had disliked me. This statement gave him his chance and within ten days of the date on which it appeared I was indicted by the Federal Grand Jury at Sioux Falls, S. D.

The indictment is a curious document. One day, with the many others that were issued during the same period, it will be historic:

"The District Court of the United States of America for the Southern Division of the District of South Dakota in the Eighth Judicial Circuit.

"At a stated term of the District Court of the United States of America for the Southern Division of the District of South Dakota begun and held at the City of Sioux Falls, within and for the district and circuit aforesaid, on the third Tuesday of October, in the year of our Lord one thousand nine hundred and seventeen:

"The Grand jurors of the United States of America, good and lawful men, summoned from the body of the district aforesaid, then and there being duly empaneled, sworn and charged by the court aforesaid, to diligently inquire and true presentment make for said district of South Dakota, in the name and by the authority of the United States of America, upon their oaths, do present:

"That Richard Franklin Pettigrew, late of Minnehaha County, State of South Dakota, in said district heretofore, to wit: on or about the sixth day of October, in the year of our Lord one thousand nine hundred and seventeen, at and in the County of Minnehaha, State of South Dakota, and in the division and district aforesaid, and within the exclusive jurisdiction of this court, and while and when the United States was at war with the Imperial German Government, pursuant to a joint resolution of the Congress of the United States, approved by the President of the United States on April 6, A. D. 1917, did then and there knowingly, feloniously and wilfully make, say and utter certain false statements, with intent to promote the success of the enemy of the United States, that is to say, the Imperial German Government, to wit: that he, the said Pettigrew, did then and there wilfully and feloniously publicly state and say to one P. F. Leavins, and to other persons to the Grand Jurors unknown, and did then and there direct and cause to be published, printed and circulated through and by means of the 'Daily Argus Leader,' a daily newspaper, published in the City of Sioux Falls, State of South Dakota, in words and substance, as follows, that is to say:

> " 'There is no excuse for this war.'
> " 'We should back right out of it.'
> " 'We never should have gone into a war to help the Schwabs make $40,000,000 per year.'
> " 'This man McAdoo said here that we are in the war from principle to protect our right to trade on the open sea. Not an American

was killed except on ammunition boats, and they had no right to be there.'

" 'Sympathy is being extended to Belgium. She deserves none. Fifty years ago Belgium robbed the Congo. This made Belgium wealthy, but three-fourths of her people did not share in this wealth. If she is now indemnified it will go to the men who robbed the negroes of the Congo.'

" 'One hundred years ago we fought out the alien and sedition law. The party back of it failed at the next election. The same struggle is on again.'

" 'People desire to know if they are living in the United States or in Russia.'

against the peace and dignity of the United States of America and contrary to the form, force and effect of the statute of the United States in such case made and provided.

"R. P. STEWART,
United States Attorney in and for
the State and District of South Dakota.

"JAMES EDDIOTT, Judge.

"Names of witnesses sworn and examined before the Grand Jurors: P. F. Leavins."

Was I indicted because I had told a lie or because I had told the truth? Was I right in my charges or was I wrong? Was it a war for democracy or was it a profiteers' war?

I did not have to wait long for the answer to these questions. In fact, the answer came with a arpidity and with a completeness that was overwhelming. First there was the statement from the Chairman of the Federal Reserve (Bank) Board, Mr. Harding; then came the revelations with regard to Hog Island and to the airplane contracts; later Mr. Wilson, in his St. Louis speech, blurted out the frank admission—"Of course this was a commercial war," and finally there

appeared the figures showing the profits made by the leading industries during the war years.

For example, there was Bethlehem Steel, Schwab's own plant. The profits of this company for 1911, 1912 and 1913 averaged $3,075,108 per year. In 1915, the profits had jumped to $17,762,813; in 1916 to $43,503,968. For 1918, the corporation made a profit of $57,188,769. Improvements and extensions of the plant ate up $24,329,245, while depreciation took $31,510,366. See my indictment. Schwab exceeded forty million a year.

Again, there was du Pont Powder which reports its war profits in the following words, which are taken from its financial report for 1918. "The stock of the E. I. du Pont de Nemours Powder Company, the predecessor of the E. I. du Pont de Nemours Company, sold during the early months of the war at $125 per share. The share of debenture stock and two shares of common stock of E. I. du Pont de Nemours Company, which were exchanged for the former security, are worth in today's market (Dec. 31, 1918) $593, or an increase in value of 374 per cent. In the meantime (1915-18) the total dividends on the common stock of the E. I. du Pont de Nemours Powder Company and on the exchanged securities of E. I. du Pont de Nemours Company have amounted to 458 per cent on the par value of the original stock. It is difficult to imagine a more satisfactory financial result."

It is difficult. But it is very easy to picture the misery and suffering of war and the great price in excessive taxation that the purchasers of the du Pont product have saddled on the working people in their respective countries.

Then there were the producers of copper. The Anaconda Copper Mining Company paid $65,275,000 in cash dividends during the years 1915 to 1918. It also paid off a funded debt of $15,000,000 in the same period, and invested, besides, $54,466,703 in betterments. After this outlay, it had, on January 1, 1919, a net quick surplus of $39,926,000 as compared with

$4,688,204 in 1914. The twenty-nine leading copper producing companies paid $540,846,855 in cash dividends during 1915, 1916, 1917 and 1918; expended $354,704,290 in betterments and improvements during 1915, 1916 and 1917, and in 1918 their surplus was $330,798,593 as compared with a surplus of $96,711,-392 on the same day of 1914.

The United States Steel Corporation, with a capital stock of about $750,000,000, made a profit, in 1916 and 1917, of $888,931,511. These are figures published by the company itself. When the steel Trust was formed this capital stock represented little besides water, but during two war years the corporation made over 100 per cent on it.

These are individual cases. In Senate Document 259, 65th Congress, Second Session, are published the figures showing the profits made by American business men during the year 1917. This document contains 388 pages, and in it are listed, by number, the amount and per cent of profits made in 1917 by American business men. The results are almost unbelievable. Among the industries engaged in manufacturing and selling the principal necessaries of life there is not a single trade in which at least one concern did not make 100 per cent or more on the capital stock.

The profits for 122 meat-packing concerns are reported as follows: 31 concerns made profits for the year of less than 25 per cent; 45 made profits of from 25 per cent to 50 per cent; 46 made profits of over 50 per cent; and 22 of over 100 per cent. In this industry, half of the concerns made a profit of more than 50 per cent and a sixth of over 100 per cent.

These sound like large returns, but they are outdistanced by the figure for the 340 bituminous coal producers in the Appalachian field. Among these concerns there were only 23 that reported profits of less than 25 per cent; 68 reported profits of 25 but less than 50 per cent; 79 reported profits of from 50 to 100 per cent; 135 reported profits of 100 to 500 per cent; 21 reported profits of from 500 to 1000 per cent,

and 14 reported profits of over 1000 per cent. Half of the concerns in this industry showed profits of more than 100 per cent, and one in each ten reported profits of more than 500 per cent.

The whole report is filled with just such figures. Profits of under 25 per cent are unusual. Profits of 50 per cent, 100 per cent, and 500 per cent in a single year are quite common.

How moderate I had been! I had talked about our entrance into the war enabling Schwab and his associates to make forty millions a year. What they had actually done was to make billions. I had only half stated the case for the profiteers. True to the principles of their ferocious system, they had taken advantage of a national emergency to become fabulously rich.

In July, 1920, I wrote the Pittsburgh Dispatch the following letter which they published at once:

"Sioux Falls, S. Dak., July 24, 1920.

"The Pittsburgh Dispatch,
Pittsburgh, Pa.

"You asked me to answer this question: 'Was the object of the war gained?'

"I suppose my answer must be confined to the United States' participation in that contest. So far as the United States is concerned, the very object and only object for which we entered the war has been fully gained. We went into the war because the great financial and industrial interests centered in New York, who are the real government of the United States, conceived it to be for their gain or profit to put the United States into the European conflict. They had sold billions of dollars' worth of material to England, Russia, France and Italy, at enormous prices, reaping a marvelous profit. But as the war progressed and the demands on the part of those nations for credit increased, the financiers and controllers of American indus-

try who were furnishing war material, became alarmed, and feared they would not be able to collect their claims against these European nations who were approaching bankduptcy, and they therefore determined to put the United States into that controversy, and have the United States loan money to the European nations, to pay off the obligations which they held against them.

"They, therefore, started an agitation in the United States to work up the people of this country in favor of going into the war. They bought up, or already owned, all the great daily newspapers. They ordered and paid for preparedness parades in every town of consequence in the United States. *They lied to and deceived the American people with exaggerated stories of the German atrocities,* until they created a war frenzy in this country.

"They had been at work on the President for months. They had a committee, a secret committee, paid by them, planning every phase of the war before we went into it.

"E. P. C. Harding, of the Federal Reserve, President of the Bank Board of the United States, on March 22, 1917, published the following statement:

" 'As banker and creditor, the United States would have a place at the peace conference table, and be in a much better position to resist any proposed repudiation of debts, FOR IT MIGHT AS WELL BE REMEMBERED THAT WE WILL BE FORCED TO TAKE UP THE CUDGELS FOR ANY OF OUR CITIZENS OWNING BONDS THAT MIGHT BE REPUDIATED.' "

"The above was issued before we entered the war, and immediately on our entering the war, these corporations rushed through a loan

to the European countries, not one dollar of which ever went to Europe except in the form of war material.

"As a result of the war the United States is a debtor and these corporations and their representatives, are creditors of the United States instead of the European nations. Their profits run into the tens of billions. The very object for which we went to war has, therefore, been fully gained.

"Conclusive proof is in the fact we have 16,500 more millionaires than we had before we went into the war. —R. F. Pettigrew.

This letter states the whole issue.

The country was in peril. Men were dying. The energies of the nation were being directed to the winning of a victory. The ignorant, unthinking millions were being mobilized to make the world safe for democracy, and the profiteers were piling up their wealth.

There was no misunderstanding about this matter. It was not an accident.

The profiteers did not and could not stop profiteering because the system to which they belong is a profiteering system. The profiteer is a product of a system of society that provides the largest rewards for the man who is most successful in robbing his fellows of the results of their labor. There was profiteering before the war—on a small scale. But during the war—in a critical period—the system was tested and it proved to be what many of us had thought it—a legalized system of robbery; a method of enabling the rich to live off the toil of the poor, and to fatten out of their privations.

The World War showed capitalism at its best and at its worst. In every one of the great capitalist countries engaged in the war, the same kind of profiteering went on. The American profiteers made more

than their European competitors because there was more to make. Everywhere they got what they could.

Capitalism produced the war. Capitalism profited by the war. The utter incompetence; the crass brutality of the system caused it to break in Russia, in Germany and Austria. Today it is in full swing, stronger than ever in England, France and the United States. Will the people who do the work and produce the wealth ever realize that capital is stolen labor and its only function is to steal more labor?

XXX. THE LEAGUE TO PERPETUATE WAR.

The war has just begun. I said that when the Armistice terms were published and when I read the Treaty and the League Covenant I felt more than ever convinced of the justice of my conclusion. The Treaty of Versailles is merely an armistice—a suspension of hostilities, while the combatants get their wind. There is a war in every chapter of the Treaty and in every section of the League Covenant; war all over the world; war without end so long as the conditions endure which produce these documents. The League of Nations is a League to perpetuate war. I do not charge that its sponsors intended this, though I have sufficient respect for the intellectual ability of men like Balfour and Lloyd George, Makino and Orlando to believe that they knew quite well what they were about. But whether by intention or accident, the "Big Five" presented the world with two documents, the attempted enforcement of which is destined to bathe the earth in blood and wipe out what remains of "western civilization."

The advocates of the League of Nations claim for it that it will end war. "If we do not adopt it," says Mr. Wilson, "we will break the heart of the world." If we do adopt it, we shall help to bleed the western world white in the series of frightful international struggles that will follow upon any attempt to enforce the Treaty and the League Covenant as they are written.

Let me state, briefly, my reasons for believing that the League of Nations is a War League rather than a Peace League.

1. The League of Nations is not a league of all nations. On the contrary, three kinds of nations are deliberately excluded from it,—the Socialist nations like Russia; the enemy nations, like Germany; and the "undeveloped nations," like Mexico. The "Big Five"

ho wrote the Armistice Terms, the Peace Treaty and ne League Covenant were Great Britain, France, Italy, apan and the United States. These are the five great apitalist empires of the world. They are also the ve leaders among the allied nations. The League is nerefore a Holy Alliance of capitalist empires against ocialist states; a League of the Allies against the Cen- al Powers; a League of the five great exploiting na- ons of the world against those whom they propose to ob. This situation creates a series of alignments any ne of which may lead to an outbreak at almost any oment.

2. On the one hand, there is the alignment against Russia. Ever since the Revolution of 1917, the Allies ave done everything in their power to destroy the overnment of Russia. They have sent their armies gainst her at Vladivostock and at Archangel; they ave attacked her with their fleets on the Black Sea and n the Baltic; they have financed and equipped those ke Yudenich, Kolchak, Denikine and Wrangel who ere in rebellion against the established government f Russia; they have financed and equipped the Ukra- ians, the Finns and the Poles, on condition that they hould make war on Russia; they have established a "sanitary cordon" of border states in an effort to cut Russia off from the rest of Europe; they have main- ained a blockade which has resulted in the death, by tarvation and by disease, of Russian men, women and hildren. During three long years, the Allies have car- ied on these activities without succeeding in forcing declaration of war from Russia.

The Russian people are very patient. They had eed of patience under the Czars, but there is a limit o everything. There are a hundred and fifty million f Russians. These people feel bitter against the cap- talist governments that have attacked and blockaded hem. They have an army—the largest now in Europe, f report speaks true. Some day that army will come nto action against the armies of the Allies—come with he fervor and ardor of revolution, and when it comes,

Europe will witness another terrible massacre and another fearful destruction of wealth.

3. Then, there are the enemy countries—defeated in the great war, stripped of their navies and of their merchant ships; of their colonies; of their investments in foreign countries; of their coal and iron; dismembered, saddled with heavy indemnities in addition to their onerous taxes. These enemy countries are suffering under the smart of a terrible military defeat. But more than that, after revolting and driving out their despotic rulers they have been subjected to an economic punishment more frightful than any that has ever been administered in modern times. The governing classes feel this; the people feel it, and they are all ready, at the first opportunity, to rush to arms in vindication of their international position and of their national rights, which they believe were grossly violated by the Treaty of Versailles. No opportunity was lost; no effort was spared to humiliate the defeated and to visit upon them a drastic economic punishment. The vanquished and humiliated are preparing to come back, and the Allied Nations know it.

4. There are the exploited countries; the "undeveloped" portions of the earth; the promising investment field; the good markets—Mexico, India, Korea, Egypt, Persia, China and the others. Africa has been under the heel of Western business men for generations. The same thing is true of India and other portions of Western and Southern Asia. These peoples, numbering hundreds of millions, have been kept in ignorance and held in bondage, while the British, German, French, Belgian and other traders and investors made free with their property and their lives. In the Belgian Congo, the black men were treated with indescribable cruelty; the people of India, after a century and a half of British rule, are almost deliberately curtailed in order that the Indian market might be open for British manufacturers. Mexico has been victimized again and again by the United States. Hayti, Santo Domingo and Nicaragua have felt the weight

of America's imperial fist. Under the Treaty, with its "Mandates" and its guarantees of territorial integrity, these peoples, comprising the bulk of the world's populations, are to be continued in "tutelage" while Allied Capitalists plunder and allied governments tax and kill.

The Baku Conference of the Eastern People (September, 1920) is the beginning of an organized protest that challenges the right of the west to continue its exploitation of the East. India is aflame with revolt, and the smaller eastern countries are awaiting the signal to begin a holy war, a religious crusade, against the domination of Western Civilization. Whether the proposed expulsion of the Sultan from Europe will start the conflagration, or whether some other spark will set it off remains to be seen. But the spirit of liberation is abroad in the earth, and any group of nations that seeks, with or without a covenant, to continue a system of virtual slavery, is heading for bitter and terrible conflicts.

5. Finally, there is an item of immense significance. The "Big Five" are five capitalist empires, each one of which is struggling for markets and for investment opportunities. Britain and Germany fought the recent war because Germany challenged Britain's economic supremacy. Today each of the Big Five is busy with just such an economic battle as that which preceded the war of 1914. British and American oil interests are in open conflict; Japan is seeking to exclude western bankers from the Chinese field; France and Italy are bitter rivals for the control of the Mediterranean; Britain and France are contending for the resources of Central Europe and of the near East. Besides that, it must not be forgotten that naval and military appropriations are larger among the Big Five than they were before the world war.

Any one of these issues may lead to war—between the Allies and Russia; between the Allies and the Central Powers; between the Allies and the victims of their exploitation; between the Allies themselves. One or more of them is sure to result in war within a dec-

ade, if the Treaty and the League Covenant are enforced. The League of Nations is a League of War; its present form, its very existence spells war.

I have another reason for insisting that the League will make for war rather than for peace—a reason growing out of the League's own record. During its brief existence, the League has witnessed more than a score of wars in Europe, Africa and in Asia. These wars have been participated in by Great Britain, France, Italy and Japan—the leading exponents of the League. France has sent men and money to back Poland and to uphold General Wrangel's insurrection against the Russian Government, while her armies are busy conquering and subjugating Syria. Great Britain is fighting in Ireland and in Mesopotamia. Spain, France and Italy all are fighting in North Africa, and Thrace is being ravaged by contending armies.

Since the League came into being, Europe has blazed with war. The League is not a war preventor, but a war maker.

So much for the character and history of the League. Now as to its purposes. These are three in number:

1. To crush out Socialism.
2. To safeguard the British Empire.
3. To unite the exploiters against the exploited.

The relation of the League and of its principal members toward Soviet Russia is a sufficient guarantee of the first point. The position of the British Empire, combined with the working of Article X of the League Covenant establishes the second.

British statesmen insisted that they desired nothing as a result of the war. As things turned out, however, they received over two million square miles, including important possessions in East Africa, Mesopotamia, the lands bordering the Red Sea and the Persian Gulf, Persia, Thibet, and the German possessions in the South Pacific. This gives the British Empire control over something like a third of the earth, including a continuous stretch of territory from the Cape of Good Hope to Cairo and from Cairo to Bengal. These things

are guaranteed under the Treaty, and Article X of the Covenant provides that: "The members of the League undertake to respect and preserve against external aggression, the territorial integrity and existing political independence of all members of the League." This clause commits all members of the League to back the British Empire in its efforts to hold hundreds of millions of human beings in subjection.

The original Holy Alliance organized in 1815 between Austria, Russia, Prussia and France, carried a mutual guarantee to protect from internal disturbances like the French Revolution, the members of the Alliance. This new Alliance guarantees its members against the possible loss of their colonies and possessions by any form of external oppression. They bind each other to help hold what they have stolen in this and previous wars. According to the original plan, the United States was to furnish the men and the money necessary to carry this Covenant into effect.

The League is intended to organize and unite the exploiter nations. Under Covenant provisions, the exploited nations have no rights that the exploiters are bound to respect. Japanese troops will remain in Korea; British rule stays in India and American Marines hold their ground in Hayti. The robbers will unite and plunder their victims in severalty.

Thus, the League is intended, not to secure freedom and self-determination. but to perpetuate autocracy and the rule of force of which the leading members of the League are the chief exponents.

The Treaty and the League Covenant intensify every cause that led up to the world war. International Capitalism, with its economic rivalries and commercial struggles is perpetuated and consecrated; the exploitation of the weak by the rich and the strong is provided for; out of such a situation there can come nothing less than revolution and a struggle for independence on the one hand and the bitterest conflicts between the members of the League on the other. The

League will perpetuate, will compel war. It makes peace unthinkable; impossible. It condemns the world to generations of blood-letting and destruction. The League is a logical product of the forces that made the last war and will prove an instrument of immense value in bringing about the next one.

XXXI. THE 1920 ELECTION.

The World War gave the business interests the opportunity for which they had been waiting. At the same time that they made millions they were able to come out in the open as the controlling force in American public life. Their answer to the Russian Revolution revealed their international stand. The events surrounding the election of 1920 showed how far they were ready to go in dominating the lives of the American people.

I spent the winter of 1919-1920 in Washington and New York, where I paid close attention to the business situation. I was particularly interested in the question as to whether a panic was going to be ordered by the New York bankers.

The masters of business life discussed the high cost of living, in other words, the cost of food and raw material, and how to reduce prices. They knew that the inflation of the currency was what had increased the price of all articles not controlled by the trusts, and they discussed the question of contracting the volume of money, for we have in circulation in the United States today nearly fifty-nine dollars per capita as against seventeen dollars in 1880. But the issue of money under the present system is very profitable to the bankers. They had made more than a billion out of the issue of money since the United States went into the war, and had inflated the currency, since the present bank act went into effect, by several billions of dollars. The bankers disliked to contract the currency because the issue of money is so profitable, and they finally hit upon another method and said, "We will contract the credit."

There were two fields in which it was possible to contract credit. One was the field of big business. The other was the field of agriculture. A contraction of

credit to big business would have hit manufacturers and merchants (themselves). A contraction of agricultural credits, on the other hand, would hit only the farmers who are unorganized and in no position to strike back. A decision was therefore made to curtail credit by compelling all the banks to restrict their loans in the farm-producing area of the United States.

After the whole matter had been argued through, an order was sent out from New York to all of the reserve banks throughout the United States to restrict their loans and to refuse credit on all the products of human toil not controlled by the combinations. The result has been, of course, the reduction in the price of everything that is produced on the farm. Meat, corn, cotton, oats and hay are all far below their spring selling prices, not because crops were unusually large, but because the farmers were compelled to sell all of their crops in the market at the same time. They were compelled to sell because they could not borrow. They could not borrow, not because money was scarce—there was more money in the country than at any time in its history—but because the banks refused it to the farmers. During this same time loans were made to Norway, Belgium, France. There was plenty of money for that, but food prices must come down, and the way to bring them down was to compel the farmers to sell by withdrawing all credits and calling all existing loans.

While American farmers were being refused credit, the Bankers' Club, which is the government of the United States, entered into a "consortium" with the bankers of England, France and Japan to loan money to China for railroad concessions and concessions of minerals and coal. Vanderlip and Lamont were in China all through April getting these concessions. This contract between the United States, England, France and Japan is a written contract and the Secretary of State is a party to it; and yet the people of the United States are refused access to it.

This same club in New York, composed of the bankers and the great industries, discussed the question of

the cost of labor. They said, "Labor is clamoring for more pay because of the high cost of living. We can reduce the cost of living by withdrawing credit and robbing the farmers, but we must also reduce wages," and they discussed for weeks the question of importing Chinese and Japanese laborers from the Orient. Their newspapers began to agitate the question, feeling out the public, but the opposition was so strong against taking down the bars and importing coolie labor that they turned their attention to Europe and made arrangements for the importation of laborers from the starving centers of Europe at wages that would send an American laborer to the poorhouse. It is contract labor, in violation of the laws of the United States.

Unless American wages were reduced, it would be impossible for American manufacturers to compete in foreign markets, and unless food prices came down, wages could not be reduced without lowering efficiency. Therefore, the food prices came down and the farmers stood the loss, and this was done on the eve of an election. In years gone by the business interests would not have dared to operate so openly. That they do it now is the proof of their power, and of the contempt in which they hold the American people.

So much for the events which preceded the election. It was a period of open-handed assumption of power by the business interests. Now for the campaign itself.

My interests were centered on the Republican campaign because it was evident from the start that the Republicans were destined to win.

The Republican Convention was a very grand affair. I arrived in Chicago on the second and stayed until the twelfth of June, and saw the whole operation. I had a friend who has been a member of the Republican National Convention for forty years, and has been one of the leaders in every convention, and he reported each morning—between one and two o'clock—the result of every conference, so that I knew in advance just what the convention was going to do the next day; and it always functioned according to program.

The representatives of the great interests arrived in a body and took charge of the convention from the start. It is the first time they have ever done this. There was Gary, head of the Steel Corporation; Davison and Lamont of Morgan & Co.; F. H. Allen of Lee Higginson & Co.; Atterbury, vice-president of the Pennsylvania Railroad, and Dick Mellen, of Pittsburgh, whose family is, I suppose—next to Rockefeller—the richest in America. Then there were George Baker and Frank Vanderlip and Daniel G Reid. These men took no chances. They went to Chicago, wrote the platform, and nominated the candidate. They were willing to take Lowden or Wood, but Borah said that he would bolt the convention if they named either one of them. They were holding Knox and Hoover, Harding and Senator Watson of Indiana in reserve, and were willing to take any one of them, but they did not want a bolt in the party.

These financiers are the men who put the United States into the European war. They furnished the money to pay for preparedness parades all over the country; they are out for empire. They wanted to put a plank into the platform providing for a league of nations, or, rather, the Versailles Treaty with mild reservations, and they had prepared such a plank and they would have adopted it, but Borah and Johnson went before the committee and told them they would bolt if they put that plank into the platform. That, of course destroyed Knox's chances, for he had agreed in advance that he would stand by and carry out such a plank if he were nominated; but without the plank these men would not trust Knox, and that ended his chance for the nomination.

Then they canvassed Sproul of Pennsylvania, but Penrose wired that he would not stand for Sproul, who was trying to administer his political estate before he was dead. They finally concluded that Harding was the man least objectionable and most certain to stand right on their plans to exploit the rest of the world. In other words, Harding was from Ohio—which they

must carry in order to win—and he was sound on the question of the commercial conquest of the earth by the United States.

The business interests named Harding. They would have preferred a stronger man—Knox of Pennsylvania was the favorite—but Harding was more available, so Harding was chosen.

Just a word as to the record of this latest President of "the greatest community on earth," as published in the "Searchlight," after a careful study of his six years in the Senate:

"Harding probably ranks below every other Senator in initiative, activity and accomplishment.

"Neither his friends nor his enemies can connect his name with a single outstanding issue, good or bad.

"He neither introduced nor championed even one big constructive measure.

"He was absent or dodged 1,170 roll calls and quorum calls.

"All the bills and resolutions he introduced were local or private in character, except eight. None of these eight was of big importance.

"In all matters of politics, economics and spoils he was a follower of the Old Guard bosses—Penrose, Smoot and Lodge.

"On issues at all important he voted with the progressive group only nine times in six years.

"He has voted for the liquor interests thirty times, and against them only twice.

"He favored woman suffrage after much reluctance and indecision.

"He voted for the Cummins Railroad Bill, with its anti-strike provision.

"He stood consistently against conservation, voted for the vicious Shields water power bill several times.

"On every important test between capital and labor, he voted with capital.

"He opposed public ownership in every form.

"On revenue measures, he voted against every

amendment to increase the tax upon profiteering and large incomes.

"He voted and spoke for conscription as a permanent policy.

"He opposed disarmament for all nations."

XXXII. CAPITALISM.

The wealth-owning class, because of its wealth-power and its hold on the machinery of society, takes a tribute from the mass of the workers. The character of this tribute varies from age to age. At bottom it is the same. The owner of wealth, because he possesses the things without which the masses would starve, compels them to pay him a return for their use. In Egypt and in feudal Europe, the masters owned land and exacted rent. Here, in the United States, the masters own the forests, mines, factories, railroads, banks and insurance companies. These things they own through the instrumentality of corporations and therefore their income takes the form of dividends on stocks and of interest on bonds. The form is immaterial. The fact remains that the few—whether as landlords or capitalists—hold the choice spots of the earth, and the many, for the privilege of enjoying these choice spots, pay tribute to the few who own them.

These masses—the workers—the producers—are rewarded with the least possible amount upon which they are willing to go on working and reproducing their kind. In old times they were chattel slaves; today they are wage slaves. Formerly, their masters took all of their product and guaranteed them a living. Now, a part of the product goes to the workers, but they must keep themselves.

In the past the work done by the slave for his master kept the master in luxury and enabled him to live a life of ease, and, if he desired, of dissipation and waste. Today the rent, interest and dividends paid by the workers to the owners of lands, bonds and stocks enables these owners to live in luxury, in idleness and, if they desire, in wasteful dissipation. The owners of

American wealth, according to the returns published by the Internal Revenue office, state on their income tax blanks that their incomes amount to tens and hundreds of thousands, to millions and tens of millions of dollars each year. The most skilled of the workers seldom make over $100 a week with steady work, and seven-eighths of them make less than $50 a week.

Furthermore, when hard times come, it is the worker who goes on the street and starves. The bondholder continues to draw his interest and the stockholder continues to receive his dividend. The bondholder, under the law, can insist upon his interest. The corporations take care of the stockholder long after the workers have begun to walk the streets looking for a chance to work.

These owners, freed from the necessity for labor, develop rapidly into a leisure class, while the workers, struggling for existence, constitute a labor class. The leisure class controls the surplus wealth of the community. Out of this surplus it feeds, dresses and houses itself; buys privileges, corrupts the machinery of the state; invests in foreign exploiting opportunities; struggles with the leisure classes of other countries for the chance to exploit and rob.

Among the masses, who are laboring and producing without getting the value of their product, there is poverty and want. Diseases waste and ravage; vitality is sapped; energy deteriorates. Perhaps nowhere in the modern world is the picture more clearly presented than among the exploited British factory workers during the forty or fifty years preceding the World War. It the soldiers on the field were cannon fodder, the men and women of Lancashire and Birmingham were factory fodder. While the leisure class of Britain was shooting grouse and chasing foxes across the ploughed land, the men and women and children belonging to the working masses were huddled in garrets and cellars—the prey of tuberculosis, rickets, anæmia and want.

The leisure class, having nothing better to do, plays at ducks and drakes with international affairs, plunges

the country into economic and military conflicts, heaps up great debts, and wastes its own and the country's resources, while the workers do the mass-fighting, pay the taxes and suffer from starvation and disease. Between the two classes there springs up hate, class conflict and perpetual dissension. It was not for nothing that Alexander Hamilton wrote, "The various and unequal distribution of wealth."

When I entered the public life of the United States, the economic ruling class was just stepping into power. There was no leisure class to speak of. There was still an abundance of free land for the workers. The America that I knew in my young manhood was still talking, in all sincerity, about "government of, by and for the people." In the brief period of my own public experience we have adopted a species of feudalism more unhuman and more vicious than any of which history bears a record—a feudalism of artificial persons (corporations) using their power to exploit the workers in the interest of the parasites. Within my lifetime we have become a government of corporations whose attorneys are in the House and Senate and throughout the bureaus and departments of the Government, looking out for the interests of those who pay them their retaining fees.

This is capitalism—the control of the machinery of society in the interests of those who own its wealth. This was feudalism in France and slavery in Rome and in Assyria. This is the system of dividing the community into two classes—owners and producers—and of rewarding the owners at the expense of the producers. As I read history, this method of social organization has had and can have only one result. The leisure class rots out and drops to pieces; the workers starve and suffer and die. Sometimes they revolt—particularly in the later years. Generally, they are too weak and too ignorant to do anything more than labor and reproduce.

In the preceding pages I have tried to show how this system was getting its grip on the United States. Out

of my own experience in public life I have indicated the activity of the land-grabbers, the bankers, the money-ring, the beneficiaries of the tariff, the trust magnates, the railroad operators and the other masters of the economic world. In Congress and out, year by year, they have taken possession of the country's best resources, robbed the people through monopoly, exploited and plundered the workers by means of low wages and high prices. Then, with their ill-gotten gains, they have invaded other lands—Cuba, Porto Rico, the Philippines, Mexico, Panama, Costa Rica, Nicaragua and Haiti—and there they have repeated the same process, by fair means or foul, gaining possession of the timber, oil, copper and iron, and then forcing the natives to produce these commodities for a pittance wage. Behind them, in these ventures, the plutocrats had the army and navy of the United States to be used when necessary, as they were used against Spain, the Philippines, the Mexicans, the Haitians and the rest. Meanwhile, at home, through the subsidy of political parties—through the passage of legislation—through the courts—through the private control or, where necessary, through the open purchase or coercion of public men, the interests have taken possession of the government of the United States, shaping its institutions, and directing its policies along lines calculated to yield the largest net returns to the plutocracy.

The last move in this direction involved the entrance of the United States into the World War; the conscription of men; the dispatch of an army to the battlefields of Europe; the suppression of free speech and a free press; search, seizure, indictment, trial, imprisonment and the deportation of men and women in open and flagrant violation of constitutional guarantees and long-established precedent.

The Wilson administration and the Supreme Court have demonstrated and established that in time of war the Constitution, with all its amendments, is but a scrap of paper and of no force and effect. Hereafter,

all that the people who do not work and produce the wealth have to do is to unite and get control of the Congress and other branches of the government and declare war on some country—any country—and at once proceed to enact laws in total disregard of the Constitution, and all its guarantees, and arrest and imprison all who disagree or protest. It is well for the people who toil to make a note of this fact.

No man who has regard for the welfare of this country, or who is concerned for its future, can fail to be alarmed at the course that it has followed, and is still following, along the road that leads to empire and imperial institutions. There may yet be time, but unless we turn back soon, it will be too late. It behooves the sixty-six per cent of our people to take possession of their Government and enact laws so that every man shall have all he produces. Capital is stolen labor, and its only function is to steal more labor.

XXXIV. LOOKING AHEAD.

I have had a long experience with the public life of the United States; I have been repeatedly to Europe; I have studied the life of the East at first hand; I have read economics, history, sociology; I have been busily engaged in the life of the world for more than half of a century. If long experience and investigation, coupled with study and discussion, fit a man to understand what is going on about him, then I believe that I have the necessary qualifications for passing on the events that are now transpiring, and for predicting the trend of our economic and political life.

There are certain things that I see very clearly; and certain tendencies that are working toward their logical goals just as inexorably as the sun passes across the heavens. These tendencies in our public life are similar to, though not identical with, similar forces that have operated in other societies during historic times; and they bear a very close resemblance to the forces that are now at work in all of the great capitalist countries of the world.

In the fight over the annexation of Hawaii, I predicted that the road which was then being followed by the United States would lead speedily to empire. Well, the empire is already here—having arrived more speedily than I, in my wildest imaginings, ever dreamed that it would arrive.

At the time of the struggle over the Hawaiian Treaty, few people believed that the United States could ever be an imperial nation. They were skeptical, or else they scoffed openly. Even the representatives of the great interests had little idea of what was happening. They knew that they were serving the men who had retained them, but with the exception of a very few among them they saw no farther than the

immediate present. They were lawyers—not statesmen.

As for the masses of the people, they were as ignorant then as they are now. They were swayed by their emotions. They responded to the "full dinner pail" appeal. They were the victims of an education that taught them to remember—not to think; and they were so busy remembering the glories of seventeenth century Revolutionary America that they had no energy or ambition to devote to the problems of nineteenth century plutocratic and imperial America. During the campaign of 1900 I went before the farmers of South Dakota as a man who had served them for a decade in their fight against the exploiters. Mark Hanna, the direct representative of those exploiters, came out to Dakota with a half a million dollars, and the half million carried more weight than my eleven years of service in the Senate.

Such experience taught me that, all other things being equal, people will do what their immediate economic advantage prompts them to do. Against the weight of this economic advantage, ideals and abstract ideas will not win with the average man or woman.

Therefore, I reached a conclusion that I have since seen verified again and again—that where the carcass is the vultures will be gathered together. So long as the privileged few hold the reins of economic power, and so long as they are willing to share up with the workers a portion—even a small portion of the plunder—they can hope to maintain their authority.

So I realized that progress was to be made from the tyranny of the masters as well as from the spirit of revolt among the workers, and where the workers had been crushed and exploited for generations, as in England, I realized that it would take a great deal of tyranny before the masses could be expected to revolt.

Thus the danger of the American farmers and wage-earners lay in their very prosperity and in the leniency of their masters. So long as the bread was abundant

I did not see how it was possible for forward-looking people to expect any effective progress.

Nevertheless, I expected the present century to yield a crop of revolutions, based on tyranny and starvation, and I predicted such a result in 1900. I made this prediction in reply to a letter from the Red Cross, in which the Director of the 20th Century Department asked me to tell what the world might expect in the new century. The Red Cross request was as follows:

"THE AMERICAN NATIONAL RED CROSS

20th Century Department
Walter L. Phillips
General Secretary, Bridgeport, Conn.

"Miss Clara Barton, President,
Miss Ellen Spencer Mussey,
Counsel and 3rd Vice-President,
Washington, D. C.

Frank D. Higbee,
Director 20th Century Dept.,
New York

New York Nov. 21, 1900.

"Hon. Richard F. Pettigrew,
Sioux Falls, South Dakota.
"Sir:

"The Red Cross regards your position and standing to be such as to make your views on the progress and value of the 19th Century, in comparison with other centuries and your prophecies regarding the 20th Century of great value, and we respectfully request you to forward to us at your earliest convenience from 40 to 70 words in your own handwriting giving your thoughts in that connection. We shall read them at all of our meetings throughout the United States, and afterwards allow the United States Government to take them

and forever exhibit and preserve them in the Congressional Library at Washington.

"An engraved invitation is being prepared, one of which will be mailed to you, but the time is short, and we take this method to expedite matters, and hope you will send in your 'Greeting' before December 1st, if you can do so.

"We prefer to have the 'Greeting' in your own handwriting rather than typewritten because we wish to have each 'Greeting' in autograph form when turned over to the government for preservation for all time.

"Thanking you in advance, I am,

Verty truly yours,

"FRANK D. HIGBEE,

Director 20th Century Watch Meetings.

"Approved:

"CLARA BARTON, President."

To this letter I sent the following reply:

"To the American Nationad Red Cross:

"During the century just closed, mankind has made marvelous progress in his control over the forces of Nature, and in the production of things which contribute to his physical comfort.

"The early years of the century marked the progress of the race towards individual freedom and permanent victory over the tyranny of hereditary artistocracy, but the closing decades of the century have witnessed the surrender of all that was gained to the more heartless tyranny of accumulated wealth.

Man's progress has therefore been material and not spiritual or ideal and the future alone can demonstrate whether any real progress has been made.

"I believe the new century will open with

many bloody revolutions as a result of the protest of the masses against the tyranny and oppression of the wealth of the world in the hands of a few, resulting in great progress towards socialism and the more equal distribution of the products of human toil and, as a result, the moral and spiritual uplifting of the race.

"R. F. PETTIGREW.

"Washington, D. C.,
Nov. 22, 1900."

It was twenty years ago that I predicted "many bloody revolutions as a result of the protest of the masses against the tyranny and oppression of the wealth of the world in the hands of the few." These revolutions have occurred—the first in Russia (1905), and subsequently the revolutions in Russia, Hungary, Germany and other portions of Central Europe.

Then, too, there has occurred the "great progress towards socialism and the more equal distribution of the products of human toil" that I predicted at the same time. The progress has been unequal. In the United States and in Japan, it has only just begun. All over Europe it has reached advanced stages, and the same forces of tyrannous capitalism and imperialism that have been at work in Europe, making for these revolutions, and for this revision of the ways of handling economic life are now busy in the United States, where the ruling class is following the old course of empire, and where the workers are beginning to wake up to the fact that they must take charge of their own economic affairs or perish, as have their European comrades, in the inevitable struggle between contending empires.

We have not yet witnessed "the moral and spiritual uplifting of the race," about which I wrote in 1900, but already there are intimations that progress is being made in that direction. A spirit has come out of Russia that has transformed the thinking of the world

in three short years, and the end is not yet. This spirit is permeating the mases everywhere, and inspiring the most thoughtful among them with the ideas and ideals of a free economic sociey.

The closing years of the Nineteenth Century saw the imperialists of the world at the zenith of their power. The World War marked the beginning of their downfall.

Today I see the workers of the world coming into their own. Before this present generation passes, the workers in all of the important industrial countries of Europe will be the masters of the jobs on which they are dependent for a livelihood.

The workers will gain this control only through the course of a struggle during which western civilization will either pass to a new level of industrial and social organization, or else it will destroy itself in the conflict. This is the supreme test of the effectiveness of the present level of working-class intelligence. If the workers have learned enough and can maintain sufficient solidarity to hold the machinery of economic life together, while the transition is being made, the next steps in material and in spiritual progress must come in quick succession. If, on the other hand, the workers fail to make the transition, there must ensue years or perhaps centuries of stagnation, like those which followed the dissolution of the Roman Empire.

Whatever the success of the workers, one thing is certain—if those who do the world's work do not make this fight for the control of their jobs, the madcaps who are now directing the affairs of the great capitalist states will continue with their wars—each more terrible than the last one—until there remain only the fragments of the present civilization, and then the dark ages that will follow, across the war-devastated earth, will be dark indeed.

If through either struggle—that of the workers to get and to hold control of their jobs, or that of the plutocracies for the right to exploit the garden spots of the earth—the present civilization of the West is

destroyed, then the ancient civilization of the East, based on the agricultural village, will again dominate the earth.

The beginnings of these changes already are seen in Central Europe, where finances, transportation and manufacturing have been seriously deranged, or where their operation has been completely suspended, and where starvation and disease are consuming a population for which the old order of society can afford no remedy.

The war has been officially over for some time, yet, during the many months since there were open hostilities on the main battle-fronts, the economic life of Central Europe has not recovered its normal tone. There were many who felt that no sooner was the armistice agreed to than there would be a resumption of the ordinary economic activities of the peoples of the warring countries. At least "by the first of the year," insisted the optimists, things would "pick up." The first of the year has come and has gone—for the year of 1919, 1920, 1921 and 1922, and unless all accounts are at fault the starvation, disease, suffering and misery are more acute now than they were at the end of the war. Certainly the financial reports show that the economic portion of Austria, Poland, Hungary, Esthonia and probably of Germany is growing progressively worse. It is impossible to turn the energies of hundreds of millions from useful labor to destruction for five years without breaking down or wiping out the old impulses and habits that lead to useful labor. War is more than hell. It is chaos, negation and denial of human civilization and progress. The worst that can be said about the present system is that it makes war inevitable.

There is a crisis in the life of nearly four hundred millions who make up Europe. Many of the people are facing a situation that is desperate to a degree that cannot be appreciated by those who have not seen it.

The people of the United States have a unique op-

portunity in this crisis. I do not speak of their opportunity to give food and clothing. By that means they may push off the anguish of Europe for a few months. I mean an opportunity to show how things should be arranged to guarantee the life, liberty and happiness of a people.

The United States is isolated geograpically. Hence it is in a better position to experiment and to work out its new ideas than is any other nation of the world.

Again, nature has supplied the United States with an unexcelled store of all the resources necessary to the building and maintenance of a great civilization. Hence it follows that, unlike the peoples of overcrowded Europe, none of those who live in the United States need lack for food or clothing or shelter. The coal and iron, the cotton and the wheat, the corn and the cattle, the beneficial climate and the generous soil all are present in extraordinary abundance.

Besides that, there are no near neighbors that are in a position to interfere with the internal affairs of the country. Once the American people have decided to reorganize their economic life on a basis of intelligence, there can be no effective check placed upon them from the outside.

Finally, the past few years have given this country an immense surplus in machinery, in commodities, in goods of various kinds that represent a great lead over any would-be rival.

Such are the advantages which the people of the United States now enjoy. There is one way and only one way in which they can make good and utilize them to the full. That is for the workers to take possession of their jobs, assume the direction of economic policy, and take the full product that they create.

Under our form of government this can and should be accomplished, not by force, but by political action. Those who do the work and produce all the wealth should combine and form a political party with a platform of eight words: "Every man is entitled to all he produces," with a slogan, "All power to the people

who do the work and produce the wealth," and take possession of the government in all its branches, drive the lawyers out of office and repeal all laws granting privileges, and enact laws for the public ownership of all utilities of every kind that are now owned by corporations.

By this means, and by this means only, can imperialism be checked, the class struggle eliminated, and the life of the people be placed on a sound and rational basis. In this direction and in this direction only can they hope to attain the life, liberty and happiness of which our forefathers dreamed.

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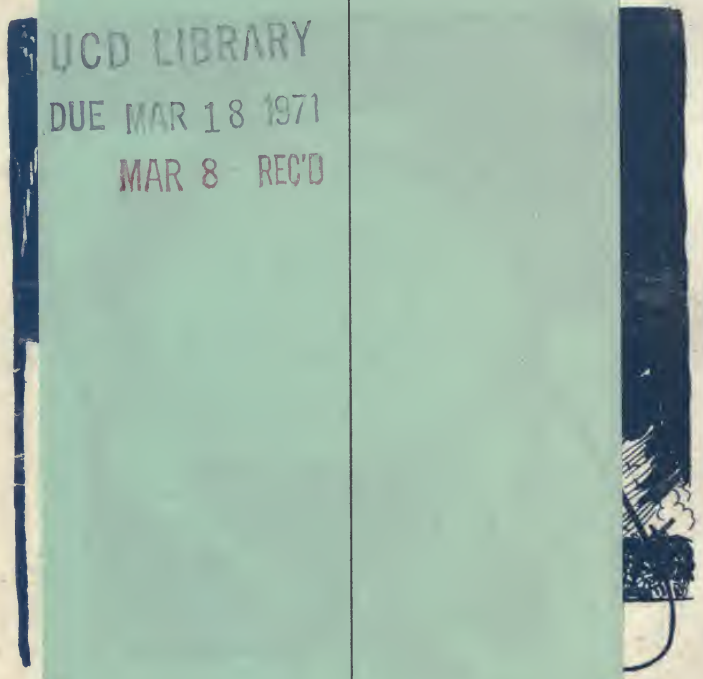

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